The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Chiang Kai-shek's Birthday Anniversary and the Future

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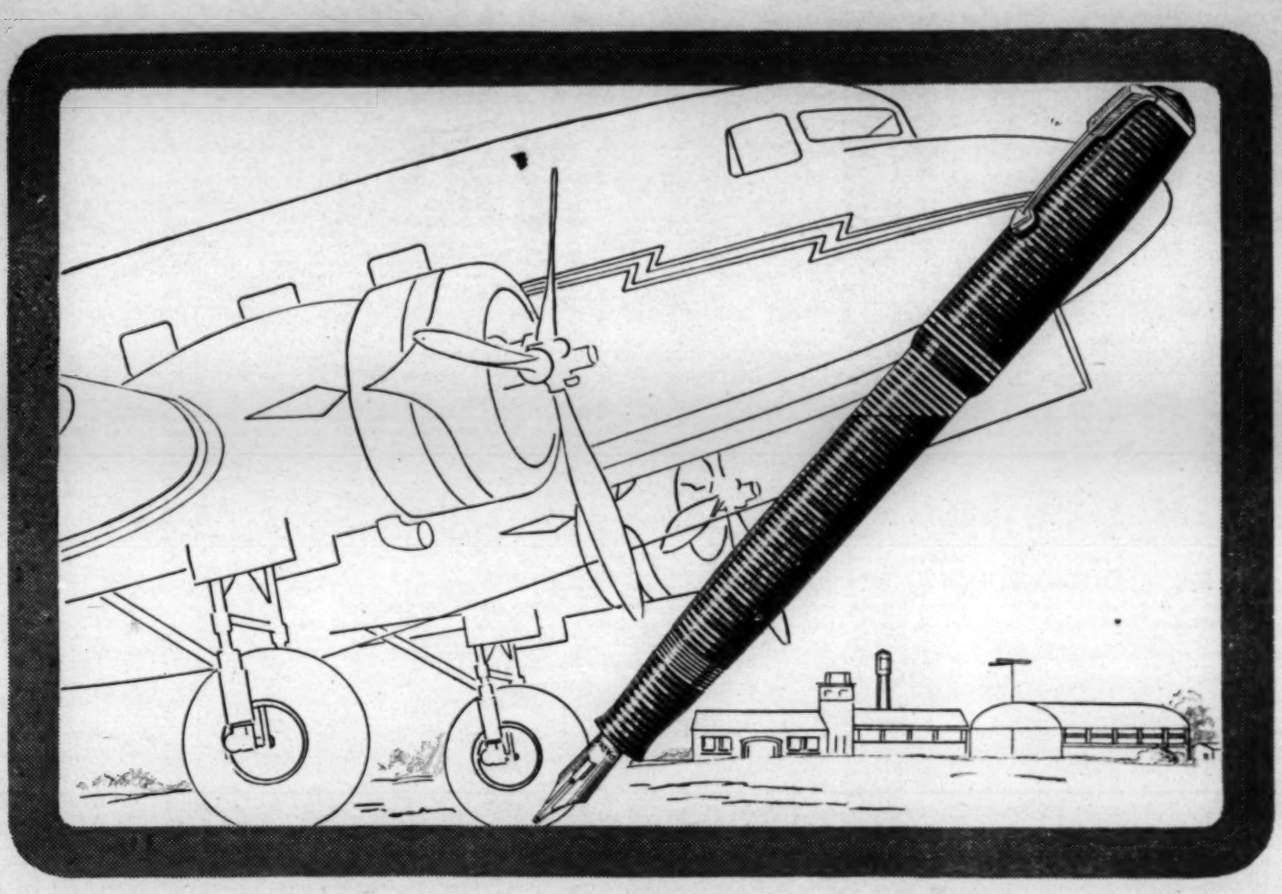

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SHANGHAI SETTLEMENT MAKES A START IN ECONOMY

MAKING a slight concession to the public clamor which has arisen during the past year or so for economy in Municipal expenditures, particularly in view of the fact that still heavier taxation is in the offing, the Shanghai Municipal Council at its meeting Oct. 14, decided to abolish, as from the end of this year, the Press Information Office and also the Ricsha Board. The abolition of the Information Office in itself will mean a saving of $46,000 a year. It is announced that information for the public will still be available through the Secretariat. There was, at times in the past, much agitation for more publicity concerning Municipal affairs and the establishment of the Press Office was largely due to that agitation. But, as a matter of fact, the proportion of Shanghai residents, either foreign of Chinese, who take an intelligent interest in routine Municipal matters is very small indeed. As regards the Ricsha Board, it was obvious in many circles at the time it was established that, lauduable as were the motives which animated those who favored the regulation of ricshas, some of the main objects were, in the very nature of things, impossible of accomplishment, and the net result has chiefly been that the Shanghai Ratepayers were saddled with an expense which showed no adequate return—and which is now happily being brought to an end.

Another direction in which, we imagine, the economy axe will fall in the course of a few years will be in the matter of retiring allowances and pensions of ex-employees. The pensions and allowances which are being paid former employees of the Settlement are on a really regal scale, and far beyond what the circumstances warrant. Even the President of the United States gets no allowance beyond the term of his office, and he has to fight for his job if he wants to hold it. But employees of the Shanghai Settlement, even those whose services are dispensed with because, to tell the truth, they performed their services poorly, are rewarded with retiring allowances and pensions

that would be regarded as the grossest form of political corruption in any other world city.

CHANG KIA-NGAU AND CHEN LI-FU DENY FACTIONALISM

THE Japanese military services through their widespread espionage departments keep a close record of Chinese officialdom even to the type of clothing they wear and the food they eat, but of most importance they keep close tab on their political inclinations and classify them as "pro" and "anti" from the standpoint of their reactions toward Japan. In other words any Japanese military official or consular officer can refer to his files and find detailed reports on Chinese officialdom, including all phases of their private lives and official careers.

Some of these reports occasionally get into the Japanese newspapers, an example of which was the publication in the Shanghai *Mainichi* on Sept. 26, of an editorial which classified Chinese officialdom into two groups, one anti-Japanese and the other "pro." The group which the *Mainichi* declared, "welcomes activities directed against the Japanese," was labeled the "C-C-Group," the initials standing for the brothers Chen Li-fu and Chen Kuo-fu, the first being Chairman of the organization department of the Central Party Headquarters and the latter being chairman of the Kiangsu provincial government. It was also claimed that Dr. H. H. Kung, Minister of Finance, Dr. C. T. Wang, new Ambassador to the United States and a number of others were affiliated with the "C-C-Group" in activities detrimental to the Japanese program.

Opposed to this group, the editor of the *Mainichi* listed the members of another group or faction, which was designated as the "Politico-Scholastic Group," including Chiang Kai-ngau, former manager of the Bank of China and now Minister of Railway; Wu Ting-chong, Minister of Industry; Gen. Yang Yung-tai, Chairman of Hupeh; Gen. Chen Yi, Chairman of Fukien and several others. It was explained that while these men had been educated in Japan and were familiar with Japanese affairs they were not to be regarded as "strictly pro-Japanese," but since they now occupied high positions in the Government, the "Politico-Scholastic Group" was in a position to take advantage of the present turn in Sino-Japanese politics and force their opponents out of office. The editor of the Japanese paper was careful to say that this "might not guarantee an improvement in Sino-Japanese relations," but it was significant to note that rivalries had grown sharper since the adjustments in the relations of Nanking and Canton-Kwangsi had been effected. As the Japanese military authorities have openly declared their intention of forcing the dissolution of the Kuomintang or Chinese Nationalist Party, it is obvious that their interest in the so-called "pro" and "anti" groups within the National Government is based on more than pure altruism. This was demonstrated in the concluding paragraph in the *Mainichi* editorial, a translation of which was to the following effect, "We intend to compel the 'Politico-Scholastics' who are wrongly regarded as pro-Japanese, to abandon their dual policies and sweep out the terrorist gangs which exist in the very center of the Kuomintang Party."

As a result of our publication of a summary of the editorial from the *Mainichi* in these columns on Oct. 3, and the subsequent publication of the pictures of members of the two groups mentioned in the Japanese report, *The Review* received a letter signed jointly by Chang Kia-ngau, Minister of Railways and Chen Li-fu, Chairman of the Organization department of the Central Party Headquarters denying the existence of factions within the government. As *The Review* merely reprinted the article from the Japanese newspaper alleging the existence of "pro" and "anti" factions within the Government, it naturally disavows responsibility for the original report, but is glad to accept the joint statement from the two officials concerned that the allegations in the Japanese newspaper were incorrect. The following paragraphs from the letter signed by Messrs. Chang and Chen are reproduced as definite evidence that the Japanese allegations of dissension within the ranks of high officials are false and that all are unitedly striving to protect the country against Japanese aggression:

Editor, The China Weekly Review:—

Heretofore, it has been the practice among certain groups of people to deliberately classify, designate, mark or color, in short, to divide up in order to work up antagonism among our leaders in the various fields of endeavor. It will be to their delight to see our country and her national spirit divided. Such malicious manipulations would amount to treason with our own nationals and payable with extreme penalty.. By this time, any man with ordinary intelligence ought to have awakened to the situation that China today is no longer the disunited country of past years, as was fittingly portrayed by Generalissimo Chiang Kai-Shek in his recent speech wherein he declared "China is capable of doing great deeds by her own efforts, capable of wiping out destructive forces of militarism and Communism, capable of undertaking constructive measures for the welfare of her people, in short, capable of setting her own house in order—provided that she is given the chance to work out her destiny uninterrupted and unembarrassed. This chance we want and this chance we must have." We are "pro" all ideas and elements which aim at making this country a greater and stronger nation. We are "pro" all nations and nationals who share in our aspirations. But we are decidedly "anti" all ideas and elements which connive to undermine our national unity and constructive programme. We are "anti" all nations and nationals who try to interrupt and embarrass our efforts in setting our own house in order. This, we believe, is the policy of each and every member of the National Government.

There does not exist in the National Government among its members cliques or factions "pro" or "anti" Japanese. We the undersigned who were made the subject of this unwarranted and sensational publication therefore disapprove of your action in giving publicity to a report not representing or stating true facts and in conveying to the public a wrong impression.

CHANG KIA-NGAU
CHEN LI FU

Nanking, Oct. 16, 1936.

General Chiang Kai-shek, Head of Unified Nation, Faces Greatest Crisis in China's History

GENERAL Chiang Kai-shek, who, since the political unification of Nanking and Canton, has more human beings subject to his influence than any other world administrator, will celebrate his fiftieth birthday on October 29—next week. The Chinese calendars record it as the "Fifteenth day of the ninth moon of the twenty-fifth year of the Republic."

1925—1926

Gen. Chiang's most youthful picture, taken at Canton when he was a cadet at the Whampoa Academy.

1926—1927

Gen. Chiang as Principal of the Whampoa Military Academy at Canton.

1927

Gen. Chiang on his white charger presented by an admiring Mongolian prince at the time of the Nationalist advance from Canton to the Yangtsze Valley.

This day will be a red-letter day in China because Chiang's friends and well-wishers among the four hundred millions are planning to give him a birthday cake which will contain, in place of the customary fifty candles, the replicas of fifty fighting airplanes. These replicas will represent real fighting machines which have been donated to the National Government in Chiang's honor on the occasion of the fiftieth anniversary of his birth.

The birthday airplane fund reached 3,500,000 Chinese Dollars, equivalent to 1,000,000 U. S. several weeks ago, hence, it appeared that the campaign to make Chiang's birthday a major aviation event in the history of his country would be successful. Of this sum Shanghai raised nearly half, but funds have been flowing into the central headquarters from all parts of the country and from Chinese communities in every nook and corner of the world. Shortly after the launching of the campaign a year ago, Chiang warned that no forceful measures should be used in raising funds. But since this will be the first public observation of his birthday, it's safe to say that almost every Son of Han at home and abroad will have donated something, perhaps only a few coppers, toward the airplane fund. Chinese custom has always set greatest store on the fiftieth, sixtieth, seventieth and eightieth birthdays as the most important milestones in one's life.

General Chiang's unusual display of patience and statesmanship in effecting compromises with his bitterest domestic enemies in Canton and in Kwangsi province, were motivated primarily by his realization of the precarious situation of his country with respect to its relations with imperial Japan. But also of significance, understandable to those familiar with Chinese psychology, was the all-important matter of making national unification definite prior to the celebration of the Generalissimo's fiftieth birthday. For reasons associated with personal and family prestige as well as the prestige and welfare of his country, Chiang didn't want anything to interfere with the first national observance of his half-century milestone.

General Chiang Kai-shek has been in unofficial, though actual, control of the recognized National Government at Nanking for nearly a decade, and while his National Government no longer rules over the four lost provinces of Manchuria and its authority is very weak in North China, he still probably has more than 400,000,000 human beings subject to his orders. While China's millions never have been counted in an efficient scientifically conducted census, most estimators now credit the country with nearer 450,000,000 than the standard 400,000,000 usually recorded. Revolutions and political turmoil may prevail but the Chinese race continues to perpetuate itself.

No other important ruler in the world has had a more precarious existence than Chiang Kai-shek since he came into power as the Commander-in-Chief of the Nationalist forces at Canton in 1926 and 1927. With the exception of the United States and a few minor European and South American states, Nationalist China has had serious complications with practically all countries having interests in Asia and with some of his country's near neighbors the situation is still critical even to the threat of war. There were some pessimists who forecasted that General Chiang would never be permitted to complete the organization of his vast army and air-fleet designed for the defense of his country against foreign aggression.

1927-1928

When Gen. Chiang first met the "Christian General" Feng Yu-hsiang at Hsuchowfu, northern Kiangsu when they decided to oppose communism and break off relations with the Soviets.

The advance of the Nationalist Armies from Canton into the Yangtsze Valley, where the British claimed a political and economic sphere, precipated such serious complications with British and other foreign interests that England sent from 20,000 to 30,000 troops and a considerable portion of the Royal Navy to the China Coast. But Gen. Chiang made peace with the British by calling off the national boycott against British goods, chiefly cotton cloth, which had been so effective that it threw most of the business into the hands of Japan's Osaka industrialists. As for the Russians, with whom the Cantonese nationalists had been in alliance, Chiang broke off relations with them entirely and deported their consular officials, advisers and what-not, bag and baggage out of the country in 1929.

Now he is involved in the most serious tangle of all with the Japanese, the outcome of which is not yet in sight. A few weeks ago it was whispered about in Shanghai that the Japanese would not permit Chiang to use his 50 new birthday planes, some of which allegedly are of sufficient cruising power to carry a considerable load from the China coast to Japan and then return after discharging the load.

1929-1930-1931

When Gen. Chiang (left) first met Gen. Chang Hsueh-liang at Peiping following the defeat of a rebellion engineered by Kwangsi, Yen Hsi-shan and Feng Yu-hsiang. It was Gen. Chang's intervention from Mukden which turned the tide and saved the Nanking Government from overthrow by the Northern "coalition."

As Chiang's most serious complications have been with the Russians and the Japanese, it is interesting to review his relations with these two major contenders for domination of Asia. Hetoshi Onishi, writing in the Japanese magazine *Gendai*, described Chiang Kai-shek as a "typical soldier of modern China, marvelously skilled in military and political administration, outshining all other military administrators since the creation of the Republic a quarter of a century ago." The Japanese writer said that Chiang's equal was only to be found in the person of the late General Yuan Shih-kai, who controlled the Imperial Manchu forces in the latter days of the Empire, and who become first actual President under the Republic —but who found himself unequal to cope with the complications of republican life and allegedly committed suicide because of his failure to start

a new dynasty.

A Russian, Stephanoff, formerly in the Soviet Embassy at Peiping, characterized Chiang Kai-shek in an official report, "as a man who possessed the quality of being able to unravel problems affecting both China and the world. He is well aware which path has to be taken, in order to obtain and retain power, and he realizes that the support of the masses is an uncertain quantity."

It was a curious coincidence that the only foreigners with whom Chiang had enjoyed close relations prior to coming into power were Japanese and Russians. His first contact with the Japanese was in 1907, when as a youth of 19 he was sent as a Government student to study at the Tokyo Military Academy. He remained in Japan four years, acquiring a fluent knowledge of the Japanese language. His contact with the Russians did not come until 17 years later or in 1924, when the late Dr. Sun Yat-sen, father of the Chinese Nationalist Movement, sent Chiang to Moscow for the purpose of making a detailed study of Soviet military organization and also for the purpose of employing a number of Red Army officers as military advisors to the southern troops.

1928

Rare picture of Gen. Chiang in civilian attire, taken when Gen. Chiang had temporarily retired from official position and was residing in Shanghai.

1928

When Gen. Chiang was married to Miss Mei-ling Soong at Shanghai.

Chiang's military experience began so early in life that he is almost a 100% Army product. He was born and brought up in a small village in the vicinity of Fenghua, Chekiang Province to the south of Shanghai. His father died when he was a baby, so Chiang at an early age was sent by his mother to a relative's shop in the seaport town of Ningpo, where he was apprenticed. After receiving his share of cuffs and kicks, the lad who was to become China's present day military and political leader ran away and joined the Chekiang Provincial Army. He could not read and had not even been taught to write his own name, but he attended the school attached to the army and ultimately gained first place in the provincial military examinations, and was selected as one of a group of 40 students from his province sent to the then newly established military Academy at Paotingfu, near Peiping. The academy had just been established by General Yuan Shih-kai and constituted China's first attempt to build a modern army on western lines. Young Chiang graduated from Paotingfu in 1906, and was sent by the old Manchu government to Japan for advanced military instruction in the Imperial Tokyo Military College. There he achieved further honors, and was permitted to complete the course. This enabled him to establish contact with hundreds of other students and revolutionary leaders who resided in Japan at that time in order to avoid the wrath of reactionary Manchus who did not take kindly to modern political ideas.

Since the politics of Asia are more and more signalized by the conflicting policies and ambitions of Imperial Japan and Communist Russia, (with Britain and the rest standing on the sidelines) it is interesting to examine Chiang's activities in the light of Chinese and Russian influences. Chiang's first actual contact with the Russian Revolution dated from the arrival in the Far East of the Soviet emissary, Joffe, in 1922. This contact bore fruit in 1924 when Soviet political and military emissaries arrived in Canton to serve as advisors to Dr. Sun Yat-sen's National Government. Among the organizations which the Russians assisted the Chinese to establish at Canton was the Whampoa Military Academy or cadet school, of which Chiang Kai-shek was appointed principal. It was through this school that fighting revolutionary principles were taught to young officer who had command of the national army. It was in connection with the Whampoa Academy and its cadet corps that General Chiang Kai-shek won his first outstanding military victory. His cadets were instrumental in suppressing a revolt organiz-

ed by volunteers subsidized by Canton merchants for the purpose of ousting Dr. Sun Yat-sen, whose advanced ideas and connections with the Russian Communists aroused antagonisms.

Among the Soviet Russian emmissaries serving as advisors to the Canton Nationalist Government was Russian-born Michael Borodin, who had spent several years of his life in the United States and probably was a naturalized American citizen. Borodin was graduated from Valpariso (Indiana) University and in company with his wife who also was an American citizen, they operated an English-language school for foreign students in Chicago. Another Soviet advisor of potent influence regarding whom very little had been heard

1929-1930

Gen. Chiang (left) being interviewed by foreign newspaper correspondents in the campaign in Honan.

at that time, was a military man who went by the name of "General Galen." In the light of our present-day better understanding of what took place at Canton when the nationalist revolutionary movement was in its initial stages, it is realized that much of the influence wielded by the Russians was due to bitter disappointment of Dr. Sun Yat-sen and the young leaders at Canton because of rebuffs received from the British and American governments, neither of which took the Canton developments seriously. It was due to Borodin's influence that the first Kuomintang (national party) conference in January, 1924, accepted the Communist party's offer of cooperation. No one questions the fact that Gen. Galen's revolutionary military tactics assisted materially in the winning of some of the major victories in the drive to the Yangtsze river. General Galen had been a leading commander in the Russian revolution. Today he sits at Khabarovsk, capital of Soviet Siberia as commander-in-chief of the Red Army in the Far East where he observes with deepening interest the attempts of the Japanese warlords to subjugate Nationalist China and then turn its wealth of man-power and economic resources against Russia!

From the beginning at Canton the Kuomintang revolutionary program in South China was more and more tinged with Russian Communism. But complication quickly developed as a result of the "marriage" of Communists and Kuomintang, the reasons not greatly differing from conflicts which have developed in political organizations elsewhere in the world where attempts have been made at cooperation between extreme radicals, moderates and liberals.

Chiang Kai-shek's troubles with the Russian Reds and their Chinese allies were explained in two pamphlets which he issued in Shanghai late in 1927, one entitled, "Manifesto to the Chinese People", and the other, "Manifesto to Kuomintang Members." General Chiang wrote both pamphlets, which are illuminating today in view of the relentless war which he has since waged against the Chinese Soviet and the Russian-supported Chinese Communist Party. It has often been alleged that General Chiang Kai-shek's break with the Russians dated from his perusal of a letter which accidentally fell into his hands alleging that the Soviet advisers were becoming suspicious of Chiang's activities and were plotting to murder him. But Chiang's opposition to Communist intrigue and influence in Chinese affairs was more deep-rooted. In one of the pamphlets which he wrote in 1927 he declared.

1931

When Gen. Chiang was first appointed head of the Military Affairs Commission at Nanking.

> "The members of the Kuomintang Party are firmly united, but the Communists have tried to alienate us from each other. The Kuomintang has been liberal and inclusive in its policy of membership admission, which provided the Communists with their opportunity to work within the Kuomintang in order to extend their own influence. The Communists had their own methods of pursuing the Revolution. At the outset of the northern expedition, the Communists voiced their objections, because they wished to have the Kuomintang completely under their control. They disregarded the misery of the people along the Yangtsze Valley and waited until conditions became so tense that they could mobilize their troops. The Communists began calling strikes as a hindrance to our military campaign, but the tide was so enthusiastically in our favor and their attempt to check us failed.
>
> "The Communists then changed their tactics and under the guise of membership in the Kuomintang Party, which was protected by our Army, they tried to undermine the

party organization. One day we captured a famous city after much bloodshed and the next day the Communists seized it by trickery and tried to exclude loyal Kuomintang members from participating in the administration and attempts to emancipate the farmers and workers. The Communists have thus tried to become the dominating factor in Chinese politics.

"While we were engaged in heavy battles in Kiangsi and Fukien provinces the Communists, realizing the important Wuhan industrial area would be our new capital, created a favorable environment for themselves so that they could control the government machinery and have the members of the Kuomintang at their mercy. I advocated from the beginning the removal of our government from Canton to Hankow, but due to the menace of the northern armies, the Kuomintang Central Executive Committee passed a resolution favoring the establishment of the capital at Nanchang in Kiangsi province about midway between Hankow and Shanghai.

1934 – 1935

Gen. Chiang studying military plans in the course of the war against the Chinese reds in Kiangsi.

1936

Recent picture of Gen. Chiang taken at the time of the negotiations with Kwangtung and Kwangsi generals, which resulted in the unification of Nanking and the South.

1936

Most recent picture of Gen. Chiang taken at the review of Boy Scouts in Nanking on the Chinese National Holiday, Oct. 10.

"But the Communists in Hankow ignored the resolution and continued to hold their joint conferences illegally, under the pretext of 'military necessity'. They threatened to form another central government at Hankow in case the capital remained at Nanchang. Realizing the graveness of the war situation, I resigned from the chairmanship of two party committees, in order to facilitate a reconciliation, but the Communists inspired rumours everywhere that I was attempting to become dictator of the government. They accused me of being a 'new militarist'. This caused serious trouble; because, as commander of the Army, it was necessary to have concentration of military power in my hands, in order to insure the success of the Revolution; but often, while we were fighting desperately in the field against the northern troops, the Communists in our rear would intrigue among the soldiers, creating disturbances, hold up provisions and ammunition and doing everything possible to interfere with our military movement.

"We had at the beginning agreed upon a definite line of demarcation between the administration of military affairs and the issuance of military orders, which rules had been adopted after the capture of Nanchang. The administration of military affairs was placed in the hands of a Central Military committee, whereas military orders were issued by the Commander-in-Chief. But due to Communist intrigue I was placed in a position where I had to fight not only the militarists and imperialists, but also the Communists and all other wicked and nefarious forces. I had not the slightest ambition for territorial acquisition or political aggrandizement and was only concerned with the carrying out of my commission in accordance with Dr. Sun Yat Sen's will—the liberation of the country and the betterment of living conditions of the masses."

When the final break came in 1927 several subordinate commanders, who were under Communist influence, including Yeh Ting, Ho Lung and Chu Teh, mostly connected with the Kuomintang 20th Army, who had engineered a revolt at Nanchang, withdrew with their forces into Southern Kiangsi where they ultimately established a Soviet form of government at the town of Juikin located in the inaccessible mountainous section of the province adjacent to the borders of Fukien and Kwangtung provinces. Here they fortified themselves and gradually extended their influence until 1935 when they became so powerful that it was necessary for Gen. Chiang Kai-shek to either dislodge them or submit to communist domination of the entire country. Political maps of the country showed large red spots in most of the interior provinces, particularly in south central and western China.

The communists were greatly assisted by political rivalries of Nanking and Canton, plus the existence of widespread peasant distress in the agricultural sections due to military extortion incidental to the civil war situation and an agrarian problem generally regarded as one of the most critical in the world.

It was at this point that General Chiang Kai-shek launched his famous anti-red drive, using for the first time the new aviation squadrons which

had been developed following the Japanese war at Shanghai early in 1932.

The original Communist intention, in establishing their base at Juikin, Kiangsi, had been to cut their way out to the coast, through southern Fukien to the port of Amoy or through eastern Kwangtung to Swatow. But these attempts failed as also did a desperate attempt to control Canton, when on December 11, 1927 they staged an uprising, since commemorated in Red annals as the Canton "Commune." It was led by Wang Ping, radical labor agitator and existed for about three days, but was vigorously suppressed by the Anti-Red forces. Thousands of Chinese laborers and peasants of the ricksha coolie class, who had been inveigled into support of the Red regime were massacred and their bodies carted away as so much cord-wood.

General Chiang's war against the so-called "Soviet Government of China" was just as sanguinary as had been suppression of the reds at Canton. Thousands of high explosive bombs dropped from modern airplanes, wrought havoc in towns and villages controlled by the Chinese red armies in the Kiangsi mountains. In desperation, the reds finally abandoned their previously considered impregnable stronghold at Juikin and succeeded in breaking through Chiang's cordon on the western side and fled inland, some going to the southwestern provinces of Kweichow and Yunnan and others to Szechuen. But Chiang followed them relentlessly, assisting local provincial military officials in the defense of their territories against red intruders. Using his new aviation arm he established bases in interior Kweiyang, Yunnanfu and Chengtu, resulting finally in the flight of the chief red leaders to Kansu on the far western border where they are now fighting the armies of Marshal Chang Hsueh-liang, who, since his expulsion from Manchuria by the Japanese in 1931, has been cooperating with the Nanking Generalissimo.

In connection with red activities it should be mentioned that China also has been subjected to its share of strife resulting from fights within the Communist party. All of the battles between "Stalinists ," and "Trotskyists," have been fought out by their respective adherents in this part of the world, as well as in European countries. The original Soviet alliance with Canton and subsequent cooperation with the Chinese Kuomintang Party was fostered by Trotsky as a phase of his world revolutionaly program. The dissolution of the Soviet-Canton alliance and later collapse of the Russian-fostered communist movement in China produced startling repercussions in Russia which were directly responsible for the downfall and ultimate expulsion of Trotzky.

The elimination of the Communist "state" in Kiangsi, which had served as a sort of buffer-zone between Nanking and Canton, had the effect of sharpening the political and economic complications existing between the National Government at Nanking and the so-called "Southern Coalition" composed of military and political leaders affiliated with Kwangtung and Kwangsi provinces. A further element which brought the complications of Nanking and Canton to a head was the completion of the Canton-Hankow Railway, an achievement of major importance which always will stand as one of Gen. Chiang's outstanding accomplishments. It was therefore not surprising that in June of this year came Canton's "declaration of war against Japan," which had, as a not minor objective, the discrediting of Chiang Kai-shek as head of the National Government because of his policy of compromise and non-resistence to Japanese military aggression, which had followed the futile attempt to block the Japanese Kwangtung army at the Great Wall in the spring of 1933. Realizing the weakness of China's military position, Gen. Chiang authorized the signing of the so-called Tangku Truce with the Japanese army on May 31, 1933. That agreement has been followed by a succession of compromises with the Japanese military machine which has resulted in Japanese military, and to a considerable extent, political domination of the five northern provinces of Hopei, Chahar, Shansi, Suiyuan and Shantung.

In the meantime Gen. Chiang has been steadily building up his military strength, using German trainers and technicians with his land forces and American and Italian instructors and technicians in his aviation schools and factories. Nanking's compromises with the Japanese, despite the growing strength of the national military establishment, have caused increasing restiveness among the politically vocal elements in the country, chiefly students and more advanced political elements throughout the country. The Canton "declaration of war on Japan" compelled Gen. Chiang to tackle the problem of liquidating the dangerous "autonomous" or outright independence movement in the South, which was directed by three major military leaders, Gen. Chen Chi-tang, controller of Canton and two Kwangsi warlords, Generals Li Tsung-jen and Bei Chung-hsi. All three had been associated with Chiang in the original drive from Canton to the Yangtsze in 1926-1927 and harbored jealousy and ill-will toward Gen. Chiang and his associates who administered the national government at Nanking.

Gen. Chiang's sensational liquidation of the Canton rebellion without resort to arms was made possible because of the realization that a divided country was rapidly falling prey to imperialist Japan. However, this did not detract from the broadminded statesmanship and courage displayed by the Generalissimo in the course of the long

and tedious negotiations at Canton. Despite open intrigue and propaganda by the Japanese militarists designed for the purpose of provoking an armed conflict, particularly between Gen. Chiang and the Kwangsi warlords, the complications were finally adjusted and the previously hostile military and aviation forces in the South, including the famous Nineteenth Route Army, were reorganized and have since been amalgamated with the National forces at Nanking. First the Canton airforce, nearly as strong as Chiang's own, "turned-ever," and shortly following this, one of Canton's leading generals commanding a vanguard division switched to the Nanking side. Observing his forces, built up over a period of nearly a decade, melting away before his eyes, General Chen Chi-tang, military dictator of Canton, fled to the nearby British colony of Hongkong, taking with him, according to his enemies much of the silver bullion which had served as partial security for Canton's over-issued banknotes. Following the collapse of their chief ally the Kwangsi rebel warlords attempted to make a stand and probably would have put up a bitter fight in their mountainous province, but the Generalissimo's adoption of a lenient attitude enabled both Kwangsi leaders to step down to save that most precious official attribute "face." General Li Tsung-jen was made Pacification Commissioner of Kwangsi while his associate General Bei Chung-hsi was made a member of the National Military Affairs Commission at Nanking. The Kwangsi army, regarded as one of the best fighting units in China, together with the famous Nineteenth Route Army, which had defended Shanghai against the Japanese in 1932, were amalgamated into what will be known in future as the "Fifth National Army."

While Chiang was engaged in settling things at Canton there occurred a number of "incidents," involving attacks and murders of Japanese, so scattered over the country as to suggest political instigation. Two Japanese were wounded at Peiping. A Chinese guard at the Japanese consulate in Tientsin was killed. Two Japanese civilians were murdered in Shantung and two Japanese, a civilian and a sailor were shot and killed in the Hongkew sections of Shanghai. But the most serious incidents were in Chengtu, capital of Szechuen where two Japanese newspapermen were killed and two merchants wounded, and at Pakhoi, most southern Chinese port adjacent to the border of French Indo-China on the Gulf of Tongking, where a Japanese merchant was stabbed to death. Immediately following these events a Japanese sailor was shot and killed and two others wounded in the Hongkew section of Shanghai and a Japanese patrolman was shot and killed in the Japanese concession at Hankow. As the Pakhoi incident occurred in a town controlled by the 19th Route Army which the Japanese had good ground to hate, they made an issue of the incidents, demanding that the Nanking Government assume full responsibility for the murders and provide definite guarantees against "anti-Japanism" throughout the country. Innumerable versions of alleged Japanese "demands" were in circulation, including dissolution of the Kuomintang or nationalist party, complete revision of Chinese school books eliminating all passages which the Japanese regarded as anti-themselves, but which Chinese educators insisted were only designed to inculcate partriotism in Chinese youths. In the Manchurian provinces and in the so-called East Hopei independent zone in North China, the Japanese already had introduced new school books of their own authorship designed to create "friendship" for Japan in the minds and hearts of Chinese school children. Thousands of Chinese children in the Manchurian primary schools have been compelled to use the new Japanese school books while the higher middle schools and universities established under the previous Chinese administration in the northeastern provinces have been closed up permanently.

In addition to these developments, the Japanese Kwantung army, operating through the puppet state of Manchukuo, has occupied most of Chahar and now is organizing a military drive into the province of Suiyuan to the northwest of Peiping, the object being to create another puppet state embracing the territories of Inner-Mongolia. Here the Japanese have two major objectives: First the control of the important hinterlands of Manchukuo which contain vital resources necessary to the prosperity of the protected state of Manchukuo; second, the Japanese Army, using the forces of Manchukuo and the Inner-Mongols is seeking to envelop and out-flank the Outer-Mongols who are under Soviet Russian influence.

In the meantime the new Japanese Ambassador, Shigeru Kawagoe, who was unexpectedly elevated to the highest diplomatic post from the position of consul-general at Tientsin, due to Kwantang Army influence, is in Nanking with a complete program for Sino-Japanese-Manchukuoan "cooperation" in the fields of politics, economics and finance, leading toward a politico-military alliance against the Soviet Union and the rest of the world but particularly those white races which have interests in this part of the world. Thus Gen. Chiang Kai-shek, "dictator" of a united nation finds himself facing the fundamental issues involved in his country's critical relations with Imperial Japan.

Wholesale Crop Losses in Korea—Farmers Face Winter of Distress

Domei states that a steady succession of natural calamities, beginning with a cold snap followed by drought, a number of typhoons and floods and ending with a visit from insects, resulted in crop losses in Korea estimated at Yen 100,000,000. The area affected by the disaster this year covers most of the country. The farming population faces a winter of extreme distress.

The Economic Reconstruction of China

BY GENERAL CHIANG KAI-SHEK

(Reprinted from the North China Daily News)

WHEN I was asked to write an article for the 25th Anniversary of the Republic of China, I decided that the most important thing to which attention should be given to-day, when the unification of the whole nation has just been actually completed, is the mobilizing of the whole of its natural resources for the economic reconstruction of China.

Before discussing economic conditions I wish to tell our friends in plain words that the economic reconstruction of China has now already passed its period of discussion and has entered into the stage of practical application.

Since the majority of the Chinese population belongs to the farming class, so the subject of economic reconstruction may well be begun with the farmers. Formerly the hardship and suffering of the farmer's life were due to the rampancy of bandits and the heavy burden of taxation. During the past two years, however, on account of the success of the campaign for bandit suppression, the main force of bandits has been driven to remote borders and there is no large bandit force in China Proper. Therefore farmers are now given a chance to live and work in peace.

Regarding taxation, the Government announced in June, 1934, that thereafter no increase of the land tax would be levied, and no order for illegal taxes and dues would be enforced. Again, in the same month, the category of illegal and superfluous taxes, and the methods for improvement were also formulated. The work for the eradication of burdensome taxes and dues is still in progress. From the various reports of the different provinces and municipalities it is gathered that more than 5,000 kinds of such levies have been abolished. The total revenue thus sacrificed amounts to $50,000,000, but there is great benefit to the farmers.

A Steady Advance

On the constructive side we may point to several branches of important works which lead towards the goal of economic reconstruction :—

1. *Development of River Conservancy.*—In recent years local governments have all concentrated their energy upon such work as the repair of dykes, the building of dams, the digging of ponds, the sinking of wells, afforestation and the dredging of rivers and canals. The system of labor conscription has mostly been applied during the time when farmers are not busy in their fields, and satisfactory results have been obtained in most places. The conservancy work of the Central Government is taken care of by the National Economic Council, its annual expenditure for irrigation, shipping improvement, river dredging, repair and building of dykes and dams, river surveys, and hydraulic experiments, etc., having increased every year, as may be seen from the following figures :

Year 1933	Expenditure	$6,890,000
1934		13,059,000
1935		35,351,000

Such work, if continued without interruption, will curtail calamities due to floods or droughts, and the harvest of the farmers will not suffer large losses on account of circumstances beyond their control.

2. *Expansion of Co-Operative Societies.*—Realizing the importance of the co-operative form of business, the Central Government established in 1935 a Co-Operative Department in the Ministry of Industries. To push things forward, Commissions on Co-operative Work were formed in most of the provinces either as independent organs or under the direct control of the Provincial Reconstruction Commissioner. According to the reports from the three Special Municipalities of Nanking, Shanghai, and Peiping, and sixteen provinces, the total number of co-operative societies is 26,224, of which 12,517 were formed in 1935, bearing witness to the rapid progress of the co-operative system. Among the co-operative societies, the credit, transport, and selling co-operative societies make up two-thirds of the total number. The worst forms of persecution of farmers in the villages are the practice of usury and the covetousness of unscrupulous merchants, but the development of co-operative business will certainly reduce their deadly effect.

3. *The Improvement of Farm Products.*—Although China is a farming country, the trade in the principal farming products such as rice, wheat, and cotton, has, in recent years, shown an unfavorable balance between imports and exports—a most dangerous phenomenon. To solve this urgent problem, the Government has established two important organizations, viz., the National Bureau for the Improvement of Rice and Wheat—which was only organized last year—and the Central Bureau for the Improvement of Cotton, which came into existence much earlier. The cotton improvement experiments have, in recent years, shown signs of great success. The total amount of cotton imported in the year 1931 was valued at $275,000,000, while the imports for last year were reduced to $40,000,000 only, being one-seventh of those of 1931. Our cotton harvest this year is very good, and if we can keep on like this, it is not at all impossible that we can gradually transform the unfavorable excess of imports of cotton into an excess of exports. It is true that the excess import of rice and wheat is enormous, but if we compare the excess figure with the amount of production by the whole nation, it amounts to only from 3 per cent to 5 per cent, and if the work of the National Bureau for Improvement of Rice and Wheat continues for five or more years, then the problem of excess imports of foodstuffs to China will certainly be solved.

4. *The New Farming Administration Bureau.*—The aim of this Bureau is to combine the efforts of the Government and the financiers of farming and distribution of farm products. The fixed capital of the Bureau is 60 million dollars, to be paid up in five years by installments, half of the amount to be provided by the Government and the other half to be raised from merchants. The current capital fund is unlimited.

The result of the various efforts to be made by the Government will certainly tend to reduce the burden of the Chinese farmer, increase their production, raise their prices, and expand their market. Correspondingly, the standard of living of the Chinese farmers will be raised and rural conditions gradually become prosperous.

Expanding Communications

For thousands of years, China as a nation has depended upon her farmers, but now the Government will not be content to remain in the position of a farming country. While in Yunnan last year I stated that, "To-day, when a country wants to stand on an equal footing in the family of nations, the fundamental condition is the development of industry. Therefore if China is to struggle for equality and freedom with

other nations the first important thing for us to do is to develop from a farming to an industrial nation."

The progress of industrial China cannot keep pace with Europe and America, but in recently years there has been much improvement, especially along the line of communications. For instance, in 1921 there were only 1,185 kilometres of highway, in 1927 they still did not exceed 30,000 kilometres, but at the end of last year we had 96,345 kilometres already opened to regular traffic. Besides, there are 16,040 kilometres under construction, and 50,543 kilometres projected. In old days, it was very inconvenient to travel in the interior, but since the construction of highways, it has been possible to start from Nanking by motor car and to reach Lanchow in the North-West, and Kungming in the South-West, not only with more convenience, but also immensely quicker.

Travel by aeroplane in China was not possible ten years ago. The China National Aviation Corporation started the Shanghai-Hankow air line in October, 1929, and it was later extended to Ichang, Chungking and Chengtu. Last year services were opened from Chungking to Kweiyang and Yunnan. In 1933, two new lines were opened—between Shanghai and Peiping, and Shanghai and Canton. In the same year, the Eurasia Aviation Corporation was established, opening the Shanghai-Sinkiang line, Peiping-Canton line, Lanchow-Paotao line, and the Shanghai-Chengtu line. In addition the South-West Aviation Corporation also maintains two lines, one from Canton to Lungchow, via Wuchow and Nanning and the other from Canton to Pakhoi, via Muming and Kingchow. This new form of communications did not appeal very much to the travelling public when it was first inaugurated, but recently it expansion has been exceedingly rapid. The number of passengers for the China National Aviation Corporation in 1929 was only 354 persons, but it jumped up to 10,404 person in 1935. Similar increases are reported by other companies.

The feature of communications that has the closet relation to the welfare of the country and people is the railway. During the ten years from 1921 to 1931, except for a few lines in the North-Eastern provinces that were still under construction, railway construction in China Proper was almost at a standstill. After the inauguration of the National Government, a Railway Ministry was established in 1928, but during its first three or four years only work for the improvement of the various existing lines could be done. Since the advent of the year 1932, however, railway construction has entered into a new stage. The following is a list of newly constructed railway lines during the past few years :—

1. The Chekiang-Kiangsi Railway—from Hangchow to Nanchang
2. The Nanking-Canton Railway—as far as from Nanking to Sunkiapu
3. The Huinan Railway—from the Huinan coal mine in Lohochen (west of Ponpu) to Yuichikow on the opposite bank of the river to Wuhu
4. The Tungpu Railway—this railway starts from the Tatung Station of the Peiping-Suiyuan line and goes to Funglingtu, opposite the Tungkwan Station of the Lunghai Railway, via Taiyuanfu. Except for the section north of Taiyuan to Pingyuan, which is still under construction, the rest of the line has been completed

The following is a list of new extensions of old lines :—

1. The Chuchow-Siukwan section of the Canton-Hankow Railway, which has already been completed, and will soon be formally to traffic
2. The Tungkwan-Paochi section of the Lunghai line—extension has already been completed west of Tungkwan to Hsanyang via Sian, while the section between Hsanyang to Paochi will also soon be completed.
3. The Soochow Kashing section of the Nanking-Shanghai Railway, which was completed in July last and formally opened to traffic.
4. The Tsao-ngo-Zahkow section of the Shanghai-Hangchow-Ningpo line, construction of which will be started as soon as the Chientang River Bridge is completed. This bridge has a length of 3,500 feet, sixteen spans and two traffic decks, the upper one for motor cars and the lower for railway tracks. The work is being rushed and the date of completion is very near.

Besides the above, the following lines are now being planned, viz., (1) the Chengtu-Chungking line; (2) the Paochi-Chengtu line; (3) the Hunan-Kweichow line, from Chuchow to Kweiyang; (4) the Taokow-Tsinan line.

The total mileage of the Chinese railways has not yet reached the mark of 10,000 miles, while Great Britain has a total of 24,000 miles, France, 39,000 miles, Germany, 36,000 miles, Japan, 17,000 miles, and America, 249,000 miles, a fact that should make us feel ashamed. However, if we can continue our efforts at the present rate of progress, I think we shall soon catch up with the accomplishment of the European and American Powers.

Nation's Co-Operation Essential

There are, of course, many causes for the weakness of China and the poverty of her people, but among the most important is the inertness of her industry. Consequently I have fully realized that for national reconstruction to-day there is nothing so important and necessary as economic reconstruction.

In August, 1935, I issued from Chengtu a telegram to all our citizens through the Chairmen of the various provincial governments pointing out that economic reconstruction for the solution of the problem of the living of the people must be pushed forward with the actual force of the local governments and the cooperation of the people before it can be a success. I also pointed out eight principal works for the People's Economic Reconstruction Movement, viz.,

(1) promotion of the labor conscription system;
(2) development of agriculture;
(3) encouragement of exploitation of barren land and cattle raising;
(4) control of consumption;
(5) industrial development;
(6) opening of mines;
(7) facilitating the transport of commodities;
(8) the control of currency and finance.

The importance of these principal works was emphasized again in my article concerning the People's Economic Reconstruction Movement published on the day of the Anniversary of the Republic of China last year.

In July, 1936, a People's Economic Reconstruction Movement Commission was established in Nanking, while orders were issued to the different provinces and special municipalities to form branches of the Commission, and to various districts, to form sub-Commissions. Now all the branches and sub-branches of this Commission have been formally inaugurated and soon it will spread throughout the nation. Since we

are combining the efforts of the Central and Local Governments and striving with zeal and enthusiasm to make our people realize the eight aims mentioned above, I sincerely believe that after a few years the position of our nation and the standard of living of our people will be considerably elevated.

Finding the Voice of China

BY MADAME CHIANG KAI-SHEK

(Reprinted from the North China Daily News)

PROGRESS in China is not to be measured by any international standards. Nor can the merit or the magnitude of changes of any kind be so estimated. A realistic conception of what is happening in this ancient land can only be obtained by comparing the present with the not so distant past, and at the same time, by keeping in sharp focus the details of that age-long background which so mystified Occidental observers, but which constituted the real China, and upon which is based everything that goes to the making of those Chinese characteristics which, by their unfamiliar nature, amused many foreigners, puzzled most, and exasperated some who had neither the patience nor the sympathy to endeavour to understand them. But, above all, progress can best be measured by keeping constantly in mind the effects of the turbulence that ensued as a result of the revolution that brought about the overthrow of the dynastic system, and by remembering that fundamental national progress is not necessarily merely materialistic or indicated by the construction of great works, or by substituting a silent motor car for a screeching wheelbarrow.

Revolution is no easy thing to introduce, or easy to carry through, in a land like China. Hide-bound with conservatism, suspicious of all things, superstitious, mostly illiterate, and void of all conception of the responsibilities of citizenship and public service, a huge population like that of China possesses, by virtue of its very ignorance, tremendous powers of passive resistance which can impede, and delay, and frustrate reforms that the Occidental imagines could easily be introduced if only because of their apparent practical value, the ostensible logic of them, and their obvious necessity.

However, reformers anywhere have notoriously hard lives to endure. In China they have been beset with innumerable difficulties that do not elsewhere exist, and the launching of any major scheme of improvement, to say nothing of any potentially sweeping social reform, has been equivalent to entering upon an endurance test, out of which come triumphant the ones having the greatest supply of patience, persistence, and philosophy, and, at times, physical strength.

Rise of Public Opinion

For several years following the revolution efforts were made to effect radical reforms and reorganization. In a sense some were successful, and some steps were taken that have been of lasting good. But the introduction of measures calculated to have widespread influence upon the lives and character of the people were delayed, and sometimes strangled, by reason of conditions which developed and enabled unscrupulous military officers and others to build up coolie armies, or bandit gangs, with the object of personally controlling different districts or province throughout the land.

There was a negation of progress in such a condition. But gradually that system was broken down. One after another the selfish and unpatriotic usurpers of power were overcome, and a unified China began to emerge.

Step by step with the crushing of the selfish incompetents and the bandits in one region and another went measures to ameliorate the unhappy lot of the people, and as the latter gradually learned from experience that such measures really were for their benefit and not for their further exploitation, they eventually applauded with surprise and relief the arrival of a new day. Newspapers, perforce, chronicled administrative and other improvements, and gradually there developed in various parts of the country that public opinion, hitherto an unknown factor in national affairs, which has so remarkably influenced the trend of events during the last few years, and particularly during these last few months. In this practically unnoticed development is the most significant sign of progress in China since the fall of the Manchu dynasty.

Its effects and influences are even now possible for categorical record. For instance, what has become known as the Fukien rebellion was swept away with surprising swiftness solely because public opinion throughout the country was against it, and because the people of the province, of their own volition, assisted the troops of the Central Government to drive out the unscrupulous leaders of the movement. This despite the fact that the so-called national heroes, the leaders of the 19th Route Army, were in the forefront of the revolt. Szechuen Province, where war-lords who fought over 400 civil wars in twenty years, which led to the impoverishment of the richest province in China, seemed to reign supreme, fell into line with the requirements of the Central Government so suddenly when the time arrived that observers were quite startled. What seemed impossible also swiftly occurred in remote Kweichow Province where the oppressive provincial government was quickly dislodged; and, more to the point, the early collapse of Kwangtung Province, in its ill-starred attempt in conjunction with Kwangsi Province to oust the Central Government, was so precipitate that observers of former events, who failed to recognize and properly appreciate recent developments throughout the country, were amazed that such things could be. Popular opinion, born of the recognition of what the Central Government has been doing for the people, and feeling the new power of freedom of expression that has come to it, exerted itself with amazing vigour, and from all sides the leaders of the new revolt were assailed. Joining in the clamour which arose in other parts of China was also the voice of the people of Kwangtung Province itself. They have suffered so much for so many years under the tyrannical rule of officials, who were now ready to plunge the country into renewed warfare and bloodshed that they surprised everyone by their eager welcome of Central Government control of their province. And their unexpected attitude immediately influenced several important Kwangtung army generals and the air force. Some of the former promptly announced their determination not to participate in civil war and to give adherence to the Central Government, and the whole air force, moved by a like spirit, flew off at the dawn of one day and thus dramatically abandoned the leaders of the revolt. Those leaders incontinently fled. Whether, of course, the reforms which the Central Government will introduce will please everyone remains to be seen.

The influence of public opinion also manifested itself upon Kwangsi provincial leaders who continued to threaten war. Some high officials fled, aeroplanes escaped, and some generals showed intention to mutiny.

The people of the province resisted war measures, farmers were reported to have fought, and, in places, killed conscription officers. In fact, public opinion exerted itself so continuously that the leaders were left with a forlorn hope on their hands. The Central Government, exhibiting unusual patience, waited and watched and pleaded with the Kwangsi leaders to be wise in national interests, if not in their own, so that the horrors of civil war should not be let loose upon the land and so that the people should be saved from further suffering. By September 6 the leaders showed that they, like their Kwangtung colleagues, recognized the weight of popular sentiment, and accepted the terms of the Central Government, thus bringing to an end the possibility of what threatened to be one of the most tragic civil wars that ever broke out in China.

Progress in Administration

Consequently, the most significant landmark on the highway to progress is undoubtedly the encouragement given to the people to express their opinions. And if the word progress embraces moral as well as material betterment, then it must be acknowledged that remarkable progress has taken place in China during the past few years, for it is only within that period that the people have been able really to realize the changed nature of the administration that came in with the National Government, and the wide-spread character of the reforms, compatible with local conditions, that the Government set under way as soon as possible.

The years immediately succeeding the successful overthrow of the Manchu dynasty were lost, in a sense, owing to the failure of the persons who contrived to assume power to realize that the liberty supposed to be conferred by a republican form of government is not license. Many, likewise, failed to understand that the country was not theirs to exploit for their own personal benefit, and most of them felt that they were in no wise servants of the people but the masters of them.

The expression, "Who are the people?" so much heard amongst old officials, which rang for æons down the corridors of old-time yamens, is not audible any more. The old fashions and the old ideas have gone, and the people have now asserted themselves to such effect that their voice will henceforth carry weight in national discussions and in all future crises.

Perhaps it is folly to prophesy, but at least it is not idle to hope, that the period of civil war will end with the elimination of the last of the factors that make insensate internecine conflicts possible. Left to themselves, the people of China, and the officials, and the army—for soon, and henceforth, it is to be hoped that it may legitimately be called a National Army and not a "miscellaneous mob of militarists"—are sure not recklessly to submit grievances and especially personal ones, to the arbitrament of arms, but will have them dealt with in a constitutional manner as befits the dignity of a progressive State. I repeat, advisedly, if China is left to her own devices.

Next month constitutionalism is designed to come to China, and that, it is to be hoped, will mark the inauguration of definite national progress where the voice of people will rule. Any progress that has gone before has been but the foundation, but that foundation has been well and truly laid Upon it has been built the realization by the people of the possession of a voice and the ability to use it. That alone is sufficient to produce a moral satisfaction that surely will promote better citizenship and will develop loyalty and patriotism. The people, for centuries, were ruthlessly taught that an official class, to the exclusion of all others, governed China, and they were brought by bitter experience to realize that if they were to save their heads they had to give up trying to save themselves, and, above all, to abandon attempts to save the country from the maladministration of the official class. The consequence was that the people lost all interest in public life, in patriotism, and in the affairs of the country, and applied themselves solely to the task of protecting the interests and promoting the welfare of their families and their clans. When the Republic came pledged ultimately to relieve them of their woes (it will do so some day) it consequently found existing a deep and vast ignorance of the requirements of that form of government, and it has taken years—till now—to educate, even casually and cursorily, sufficient of the population to know what is required of them so that they could in some measure impart the knowledge to others. Large sections of the people seem now to have awakened, and articulation (if not profound wisdom), so long suppressed, has come to them. Nor have they been awakened by any form of desperate theoretical teaching, but by a practical demonstration of what a properly organized and supported Government could do for them.

The People Called to Council

Thy existing National Government as soon as it assumed office began to demonstrate its intention to develop the welfare of the people by creating organs for their betterment. And it took one significant step that has, perhaps, been forgotten. As early as a few months after its establishment at Nanking in 1927 it called into being a National Economic Conference and a National Finance Conference, and they were significant, if not spectacular, inasmuch as the delegates to those conferences embraced, for the first time in Chinese history, leading bankers, industrialists, and merchants. Here was signal evidence of the bona fides of the Government in its promises to depart radically from the old traditions that excluded the voice of the people from the councils of State, and to enlist the support of civilian brains and experience in laying the foundation of a better administration. Among other things, too, the Government called the various magistrates to a conference at Nanking and subjected them to an educative course on the proper conduct of officials towards the people. The average age of these officials was over 50 years, and they were instructed as to the rights of the people to have their grievances heard, to be protected, and to be properly considered in the administration of laws and regulations. Mainly they were enjoined to assist the people in the presentation of their claims and complaints, and were warned that acts calculated to be contrary to the public weal, and militating against the rights of the people would redound to the discredit of those responsible.

Indeed, from the beginning of the Republic in 1912 patriotic minds have been bent to the task of ameliorating the lot of the people by providing them with means to raise their standard of living. Dr. Sun Yat-sen issued his industrial and railway schemes, and from time to time measures have been devised to provide for the establishment of industries to utilize raw products, even if conditions in many cases militated against satisfactory fulfilment. Political unrest did, for years, render abortive practical economic efforts, but now a definite programme has been adopted which will, in course of time—backed up by more enlightened public opinion—strike at the roots of economic stagnation. This will give the investing public and the progressive industrial and mercantile leaders the encouragement, the security, and the protection that are necessary to ensure the long-delayed systematic development of national and industrial resources, and the scientific production of raw materials.

While it is not necessary in this article to detail financial and other reforms that have been inaugurated,

national prosperity will, conditions permitting, be statesmanlike, systematic, and sustained, and gradually there will come to China complete elimination of all those factors which have, one way or another, contributed to the stagnation that has in the past prevented her from assuming her legitimate role in international affairs. Certainly the National Government intends to pursue a policy aiming at material betterment, and the fulfilment of plans in that direction will not only benefit China and her people but also the world at large.

A Summing-Up

In view of all this, then, the judgment at this anniversary of the establishment of the Republic, taking all things into consideration, must be that great progress has been made in the face of heart-breaking internal obstructions, which have been aggravated by external interference of serious import and consequence, and that in addition to material advancement there has beeu a remarkable change socially and spiritually which has contributed to be most important of all potential developments—the finding of the voice of China.

Nanking's Opposition Cannot Prevent Japanese Military Economic Control of the North

SPECIAL EDITORIAL CORRESPONDENCE

THE current negotiations at Nanking may drag for weeks, even months. China's determined opposition to certain demands may result in their modification by Tokyo. Yet, at this moment, it appears to be more or less certain that Japan's demand for a privileged position in North China will ultimately have to be met by Nanking in full, or opposed by force of arms. And since North China is already under the military control of Japan and the National Government apparently is not in a position at present to oppose Japan by force of arms, there seems to be no way of blocking the Japanese plan for economic monopolization and realization of the long-discussed scheme for the creation of a Japan-China-Manchukuo military-economic "bloc."

Nipponese efforts to secure full-hearted co-operation of the Chinese authorities in North China actually were crowned with success early this month when Gen. Sung Cheh-yuan succumbed to pressure exerted by Lieut.-Gen. Kanichiro Tashiro, Commander of the Japanese forces in the north, and accepted the Japanese plan for "joint" economic exploitation of the region. The first tangible result of the meetings was the creation of an "inner cabinet" in the Hopei-Chahar Council charged with the task of carrying out the terms of the agreement. The establishment of a six-man governing body was obviously designed to eliminate Nanking's supporters from active participation in the administration of North China.

The next step was the appointment of Li Shih-hao, a Shanghai banker and member of the pro-Japanese Anfu clique, as chairman of the Economic Affairs Commission of the Hopei-Chahar Council. Mr. Li thus stepped into the shoes of the Chief Chinese Callaborator to Japanese Generals once mean for another appointee Wang Keh-min. Mr. Li's first action, early this week, was to call on Lieut.-Gen. Tashiro to discuss with that warlord his plans for the economic exploitation of North China. Almost simultaneously, Major Takeo Imai, the Japanese spokesman in Peiping, informed the press that Mr. Li was *persona grata* with the Japanese Army and would have the benefit of council from a Mr. Nagai, Japanese adviser to the Hopei-Chahar Council.

Also earlier this month the Kwantung Army, the North China Garrison and the Embassy, all of which is a not too distant past have been pulling in different directions, agreed on getting into single harness. The accord was reached as a result of visits paid to Tientsin by Col. Kusumoto, resident officer in Shangai, and Lieut.-Gen. Tatekawa, Japan's leading Tory, who was dropped from the Army as an aftermath of the Tokyo mutiny of Feb. 26. Lieut.Gen. Tatekawa, who will probably soon become the supreme Japanese adviser to the Hopei-Chahar Council, acted as a liaison officer for the Kwantung Army.

With the diplomatic and military settings thus on the stage, time has come to introduce the economic heroes. Of these the most important have been the manufacturers of cotton textiles. The first indication of their interest in North China came last autumn, when T. Funatsu, managing director of the Federation of Japanese Cotton Mill Owners in China, paid a prolonged visit to the region, inspected Chinese and Japanese mills and spoke long and enthusiastically of North China's role as a center of the cotton industry on the mainland and as a source of raw cotton for the looms of Osaka.

Very shortly after his arrival in Japan the "Big Four" of the Japanese cotton industry, the Mitsubishi-owned Tokyo Spinning Company, capitalized at Y.70,000,000; its traditional rival, the Mitsui-owned Kanegafuchi Company, capitalized at Y.65,000,000; the huge Dai-Nippon Company and the Itochu Trading Company of Osaka launched a bitter race for the acquisition of the Chinese cotton industry in Hopei and Shangtung.

Almost simultaneously, in January of this year, the Overseas Affairs Ministry prepared a five-year plan for the cultivation of cotton in North China. The plan, the approval of which by the Hopei-Chahar Council and the Shantung Provincial Government was regarded as a foregone conclusion, provided for setting definite prices to be paid to farmers for their raw cotton and for financing against famines. It was also proposed to establish a special concern to standardize the product. The plan, however, mainly aimed at enabling North China to satisfy Japan's entire cotton requirements by 1947, thus making Japan independent from dependence on American supplies.

With each of the four concerns striving to get ahead of its competitors, and with the Chinese cotton mills in North China suffering from depression and the added effects of Nipponese armed occupation, transfer of the textile industry from Chinese to Japanese hands was carried out in less than six mosths.

Of the six Chinese mills in Tientsin at the beginning of this year, only one, the smallest, remains today in Chinese hands. The five other mills were purchased by Nipponese investors for less than $6,000,000, as compared with the original investment of more than $18,000,000. To the 190,000 spindles thus acquired, the Japanese are planning to add some 100,000 before the end of this year, both through the expansion of the existing plants and the construction of new ones.

As a delightful sidelight on the situation, it is interesting to note that following the sale of the mills to the Japanese, the Hopei-Chahar Political Council met to consider the plight of the Chinese cotton industry (which by that time was represented by a single mill with 5,000 spindles), and decided to refer the matter to a sub-committee for further study. In the North China parlance that was described as Sino-Japanese economic co-operation.

Another industry in which the Japanese have shown great interest was the manufacture of salt. Overriding a long-standing ruling against the exports of salt abroad, the northern authorities (including the Changlu Salt Inspectorate) per-

mitted the sale of 70,000 tons of the product to a buying agency jointly organized by the Mitsubishi and Iwai Companies. In a spirit of accomodation, or perhaps realizing its own impotence in North China, Nanking was compelled to sanction both the transaction and the lowering of the export tax. Other reports indicated that the sale was to inaugurate regular exports of salt to Japan. A further indication of the Nipponese interest in salt,—which incidentally is a product necessary in the manufacture of poisonous gases,—was supplied last week by the occupation of the Tangku salt fields by Japanese troops. Japanese papers reported that the Hsing Chung Company will soon establish, with direct encouragement from the Japanese Government, a $5,000,000 concern to export the Changlu salt to Nippon. A half of the capital will be subscribed by the Japanese interests. The proposed company will improve the Changlu salt fields and bring technical experts from Japan. By improving the existing fields the concern expects to add between 200,000 and 250,0000 tons to the present output, with additional 300,000—400,000 tons gained from newly developed fields, most of which lie in the East Hopei demilitarized zone.

The original plans for the economic development of North China formulated by the Kwantung Army provided for the creation of a subsidiary concern by the South Manchuria Railway Company to take over the activities of all other firms interested in the region. In due time the concern was formed under the name of Hsing Chung Company (Hochu Kochu), with a Mr. Sogo, director of the S.M.R. as its head. The capital of the firm was set at $10,000,000, with most of the major Japanese companies, such as the Mitsui, Mitsubishi, Okura, Yasuda and others, subscribing to shares and placing their representatives on the board of directors.

Up to last month the concern was engaged mostly in investigating the possibilities for investment. The first joint undertaking of the Hsing-Chung Company—*joint* because it was avowedly created to help the Chinese to develop North China,—was the Tientsin Electricity Company, whose formation was announced early in September. The new project formed a striking illustration of the methods which the Hsing Chung Company intended to employ in North China. A half of the new firm's capital of $8,000,000 was subscribed by the Hsing Chung Company; the other half by the Tientsin Municipality, which, having no money, borrowed it from the Hsing Chung Company. The new Mayor of Tientsin, apparently better known for his avarice than for his administrative ability, readily agreed to head the new joint company, for a suitable remuneration. The arrangement for a division of the spoils has apparently displeased the leaders of the Hopei-Chahar Political Council, who, suddenly remembering an old Chinese ruling prohibiting joint investment in power enterprises, turned their thumbs down. The Council's action presumably worried the Japanese very little, for a group of major Tokyo power concerns two weeks ago announced its intention to purchase half an interest in the new company, thus reducing the Chinese porticipation in it to 25 per cent, all of which will be borrowed from the Japanese. Simultaneously, in a gesture whose political significance is still vague,—unless the Japanese are trying to still foreign opposition by tossing a bone to hungry London investors,—Mr. Sogo invited British firms, through the British commercial attache in Tokyo, to participate in the Tientsin project, which is to be expanded.

Eventually, and not in a very remote future, the Hsing Chung Company intends to branch out into every field of economic activity, from the construction of railways, highways and telephone lines, to coal-mining and the cultivation of cotton. To enable it to carry out this ambitious program, its capital is expected to be raised shortly to Y.100,000,000, with the inevitable Mitsui, Mitsubishi, Sumitomo, Okura and others contributing the required funds. It is also possible that the Japanese Government will buy shares in the Hsing Chung Company, thus endowing it with a semi-official standing, similar to the status of the South Manchuria Railway Company.

The increase in capitalization, as well as the possible changes in the status of the concern, have reportedly been proposed jointly by the Kwantung Army and the Japanese Garrison in North China.

The newest "joint" enterprise in North China and the first instance of Sino-Manchoukuoan economic co-operation, is the Hui Tung Company, which will operate air lines linking Peiping with Changchun, Dairen and Tokyo. The firm will be capitalized at $5,000,000 half of which will be contributed by the Manchuria Air Transport Company. The signing of this agreement will undobtedly mark the commencement of a bitter struggle between all other foreign powers for the right to establish air lines in China.

Other projects marked for early execution, and said to have been approved by Gen. Sung and his companions, have been described by Japanese sources as follows:

1. Development of the immensely rich Lungyen iron mines and the iron foundry in Hopei province.
2. Building of railways from Taku to Tsangchow, on the Tientsin-Pukow line, and from Tsangchow to Shihchiachwang, on the Peiping-Hankow line. The new railroads will mainly enable the Japanese to tap the coal and agricutural resources of Shansi.
3. Harbor construction in Taku.
4. Expansion of acreage under cotton and improvement of the staple.
5. Establishment of a Sino-Japanese bank to take charge of financing operations in North China.

The latter proposal, favored by the Tientsin Garrison, was last month assailed by Y. Matsuda, Director of the Bank of Chosen, who has been studying conditions in Peiping and Tientsin for several months. After declaring that he was "rather surprised to see the Japanese military authorities in North China seriously studying economic questions", Mr. Matsuda told the press on his return to Japan, that: "The Army is closely studying matters for perfection of Japanese financing in North China, but the projected establishment of a central bank there by Japan is not advisable under the existing circumstances. It would be better for the North China regime to establish an issuing bank, on the basis of existing Chinese banks, with Japanese gold notes as its reserve". The financier also let one cat out of the bag when he revealed that "Japanese circles" proposed the compulsory circulation of the Bank of Chosen notes in North China, to aid in monetary reforms. He opposed it on the ground that such a step might lead to the flight of capital from Japan.

Meanwhile, Mr. Matsuda has reached an agreement with Yin Ju-keng, the "Little King" of the demilitarized zone, for the creation of a Y.5,000,000 East Hopei Central Bank before the end of this year. The projected institution, whose activities have already been carefully mapped out by the Kwantung Army, will introduce the intricacies of a controlled currency system (tied to Manchurian and Japanese currency) to the simple people of the Autonomous Anti-Communist territory. The system, according to the *Tokyo Yomiuri*, will be based on Yen notes, and will have as its aim Japanese trade expansion in the demilitarized zone and encouragement of Nipponese investments in North China. The new bank will have the benefit of the experience of an adviser appointed by the Bank of Chosen. The agreement, one must note, was concluded approximately four weeks after Lieut.-Gen. Itagaki, chief of staff of the Kwantung Army, returned to his Hsinking haunts from East Hopei, which, he told the press, is "getting along splendidly by fully co-operating with Japan and Manchoukuo".

A word must finally be said about the immense coal and iron resources of North China which have held Japanese attention for the past decade or two. The Army's plans for making Nippon independent of overseas coal, iron and oil have given a powerful stimulus to this interest. With North China's coal, iron and cotton, Japan would rapidly gain supremacy in the world's markets and make herself well-nigh impregnable to foreign attack.

Acting as harbingers of Japan's intensive exploitation of North China's mineral resources, two high officials of the Ministry of Commerce and Industry left Tokyo early this week for a tour of the northern provinces, in the course of which they will chart the iron and coal resources of the region. "Special significance", said *Domei*, "is attached to the visit of the two officials since the rich coal resources of that area are regarded as an important factor in the execution of the Government's plan for a large-scale liquefaction of coal".

Japan is following her Imperial destiny in North China without regard to China's sovereign rights or her own treaty obligations. Nanking's refusal to sanction this state of affairs can change nothing so long as the National Government refuses or is not in a position to offer armed opposition. Its assent to the terms dictated by Japan will, on the other hand, accelerate the Japanese penetration into Shansi, Shantung and Suiyuan, and ultimately into the Yangtze Valley.

Gen. Chiang Confers With Northern Leaders at Hangchow; Chang and Kawagoe Resume Negotiations

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Alleged Decisions of Hangchow Conference By "Shanghai Nippo."**
2. **Chang Chun and Kawagoe Resume Negotiations In Nanking.**
3. **Conflicting Accounts of Negotiations in Chinese and Japanese Papers.**
4. **Japanese Reports Nanking Dispatches 23 Divisions of Troops North.**
5. **Peiping to Be Imaginary Target for Attack in Japanese Grand Maneuvers.**
6. **Li Shih-hao Outlines Principes for Development of North China.**
7. **Skirmishes Break Out Between Suiyuan Troops And Bandit Invaders.**
8. **Delay in Elections Causes Postponement of National People's Assembly.**

General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, summoned in the latter part of last week an important conference at Hangchow. Prominent among those who participated in the discussions were General Han Fu-chu, Chairman of Shantung, General Hsu Yung-chang, Bandit-Suppression Commissioner of Shansi, General Ko Ting-yuan, Secretary-General of the Hopei-Chahar Political Council (representing General Sung Cheh-yuan), General Yang Hu-cheng, Pacification Commissioner of Shensi, General Yang Chieh, President of the Military College at Nanking. Drs. C. T. Wang and T. F. Tsaing, Ambassadors to the United States and Soviet Russia respectively, and Gen. Ho Yao-tsu, Minister to Turkey, also visited Hangchow and called on the Generalissimo. General Chiang, after spending nine days in Hangchow, returned to the capital by air on the 19th, while General Han and other northern leaders also separately departed from the lake city for Shanghai and Nanking.

As far as Shantung is concerned, both its administrative and foreign policy will adhere to the instructions of Gen. Chiang Kai-shek, president of the Executive Yuan, because the province is a part of the Chinese territory. Thus declared Gen. Han Fu-chu when interviewed Oct. 10 by the Hangchow correspondent of the *Ta Kung Pao* on the general conditions of North China. During the present national emergency, the Shantung Governor continued, there should be no regional division. Shantung, he said, will follow only one policy as regards foreign affairs, and that is the policy of the Central Government.

General Han Fu-chu flatly denied reports that the Japanese have submitted him a demand for an autonomy in North China, according to *Sin Wan Pao*, Oct. 18.

ALLEGED DECISIONS OF HANGCHOW CONFERENCE BY "SHANGHAI NIPPO"

According to a Hangchow dispatch in *Shanghai Nippo* Oct. 18, the following alleged decisions were reached at the recent conference between General Chiang Kai-shek and Gen. Han Fu-chu and other Northern leaders:

1. Japan's proposal treating North China as a special sphere be rejected for the time being in view of the effect such a step would have on China's national destinies.
2. Effort be made to delay settlement of outstanding North China issues, thereby evading compliance with Japanese desires.
3. Efforts be made to limit area covered in the negotiations to Hopei and Chahar provinces, resisting attempts to include Shansi, Suiyuan and Shantung.
4. Full satisfaction be given Japan in the matter of settlement of incidents in Chengtu, Pakhoi, Shanghai and other cities.
5. Chinese Government will entertain proposals for economic co-operation, providing negotiations be conducted on basis of absolute equality. China will have right to reject any suggestion she considers unacceptable and also the right to submit counter-proposals.
6. Chinese Government officials agreed on the need of settling pending problems, but will simultaneously play other nations against Japan.

Considerable space in the Tokyo papers was devoted Oct. 17 to the conference in Hangchow between Gen. Chiang Kai-shek and Gens. Han Fu-chu and Hsu Yung-chang. Most of the editorial comments considered the conference as an indicating of the fast rising power of the Central Government of China. Japanese papers in Shanghai attach importance to the visit of the Shantung leader because of its political implications. Gen. Han's visit coincided with the trip here of Ko Ting-yuen, secretary-general of the Hopei and Chahar Political Council.

CHANG CHUN AND KAWAGOE RESUME NEGOTIATIONS

Meeting without witnesses, Gen. Chang Chun, Foreign Minister, and Ambassador Shigeru Kawagoe, made their fourth attempt Oct. 19 to find common grounds for agreement on the settlement of all outstanding Sino-Japanese problems. A communique issued by the Japanese Embassy immediately after the meeting said that there "still remained some disagreement on certain points" and that further interviews would be held shortly. The meeting between the two officials was nearly overshadowed by the sudden return in Nanking of Gen. Chiang Kai-shek two hours earlier. Immediately on his arrival, Gen. Chiang was called on by Gen. Chang, with whom he remained closeted until a few minutes before the scheduled interview with the Japanese envoy. Complete secrecy enveloped the agenda of the interview, under the terms of a previous agreement. No interpreters were present, as Gen. Chang speaks fluent Japanese. The meeting, which was held at Gen. Chang's residence, lasted 3½ hours. Immediately after the meeting, Gen. Chang, accompanied by Kao Tsung-wu, Director of the Waichiaopu's Asiatic Affairs Department, once again called on Gen. Chiang to report on the progress of the negotiations. Mr. Kawagoe, on his return to the Embassy, called a conference attended by Consul-General Yakichiro Suma; Akiyoshi Tajiri and Motoki Matsumura, respectively First and Third Secretaries of the Embassy; and Lieut.-Col. Tatsumi Amemiya and Commander Saburo Nakahara, respectively military and naval resident officers. Japanese officials in Nanking, *Domei* learned, are regarding the negotiations with optimism.

Gen. Chang and Mr. Kawagoe met again at the Waichiaopu in the afternoon of Oct. 21 to continue their exchange of opinions the previous day which in an official communique was described as "not yet in complete accord." The meeting was their fifth one.

CONFLICTING ACCOUNTS OF NEGOTIATIONS IN CHINESE AND JAPANESE PAPERS

Agreement of views on all points except two has "apparently" been reached by Gen. Chang Chun and Ambassador Shigeru Kawagoe, at their meeting Oct. 19, the Nanking correspondent of the *Nichi-Nichi* reported. The correspondent expected that China's attitude would see further clarification regarding the two remaining points at interview Oct. 21, which will "mark the final stage of the Nanking conversations". Political observers in Tokyo regarded with interest Gen. Chiang Kai-shek's declaration, Oct. 20, that the solution of all pending Sino-Japanese problems should be sought along the lines of equality and the maintenance of China's sovereignty and territorial integrity.

Despite a noticeable turn for the better since the fourth meeting between Gen. Chang and Mr. Kawagoe, well-informed quarters in

Nanking predict that Sino-Japanese negotiations will be long and slow in pace. Official circles, approached as to the scope of the negotiations, are reticent as both parties have pledged to keep the proceedings of the pourparlers under cover until an agreement is reached. Commenting on reports from Tokyo that the cruical questions facing the negotiators in Nanking are first, the Japanese proposal for marking off North China as a special area, and second, co-operation between Japan and China in anti-red campaign, the *Morning News* in an editorial Oct. 20 declared that the "Special Area" issue constituted Japan's aged-old trick of "Divide and Rule," designed to bring China on her knees without even having to fight for it. So long as the Northern leaders support the Central Government in frustrating Japan's strategy of splitting China into parts, China will never have to taste the bitterness of defeat, the paper said.

Resenting the slow progress of the Sino-Japanese diplomatic negotiations on account of the procrastinating policy of the Nanking Government, the authorities of the Japanese Military Garrison in North China have decided to dispatch Staff Officer Wachi to Nanking to see Ambassador Kawagoe and explain the views of the Garrison and also clarify the present situation in North China. They urge that the negotiations should be conducted on the basis of the following two principal objectives:

1. Recognition of the special relation between Japan and China in North China.
2. Joint defense between Japan and China against Communism.

"Following the interview between Gen. Chiang Kai-shek, and the Japanese Ambassador Kawagoe, unfortunate events again come up," said the *Shanghai Nippo* in its editorial Oct. 17. The *Nippo* listed the unfortunate incidents as follows:

"(1) The U.S.S.R. has endeavoured to spoil good relations between China and Japan by creating boundary disputes on the frontier between Soviet Russia and Manchukuo.

"(2) The issuance of the radical anti-Japanese manifesto by the Peiping University Chancellors in defiance to the policy of pro-Japanism, which the Chinese Government has taken up.

"(3) The conclusion of the agreement, in which England grants to China export credits, amounting to several million pounds sterling, right after the interview between Chiang Kai-shek and Ambassador Kawagoe, clearly indicates that England has endeavored to estrange China and Japan.

"(4) Chang Hsueh-liang and the Kwangsi warlords, Li Tsung-jen and Pai Chung-hsi, have recently voiced their opposition to Sino-Japanese cooperation, as held by the Chinese National Government.

"TA KUNG PAO" SUGGESTS FOUR BASIC PRINCIPLES

The *Ta Kung Pao* sets out four principles which it regards as the minimum basis of any Sino-Japanese agreement.

"First there must be no further sacrifice of Chinese territory.

"Secondly, China cannot tolerate any further abridgement of her sovereign rights.

"Thirdly, if we have to make concessions we must receive something in return. One-sided sacrifices cannot be tolerated.

"Fourthly, in the present negotiations, China must be regarded as a single whole. We cannot agree to separate negotiations with local authorities.

"Whatever the Japanese demands may be," the paper states, "our government must bear in mind these four principles. Otherwise it will be guilty of a betrayal of the people."

JAPANESE REPORT NANKING DISPATCHES 23 DIVISIONS OF TROOPS NORTH

Twenty three divisions of Central troops have passed through Chengchow, en route north in the past two weeks, according to a *Domei* report from Honan. The troops, which are travelling by the Peiping-Hankow Railway, are reported to be headed for Shansi and points along the Lunghai line. Rumors prevalent now maintain that Gen. Chiang Kai-shek, Commander-in-Chief of the Central Armies, will bring altogether 30 divisions to North China.

According to *Shanghai Nippo*, large bodies of Nanking Government troops, totalling 23 divisions, have passed through Chengchow, Honan, since September 30 and are now stationed in Shansi province and along the Lunghai Railway.

Japanese military authorities in Peiping are attaching much importance to the projected visit to Chengchow in Honan of Gen. Feng Yu-hsiang, Gen. Feng is going there ostensibly to attend the opening of the Honan Kuominchun Society. The visit of the military leader, known for his outspoken anti-Japanese views, to Chengchow where more than 10 divisions of Central troops have recently been moved from south China, coupled with reports of feverish military activity along the Lunghai railway line, has aroused the interest of the Japanese military.

GEN. TASHIRO SUMMONS CONFERENCE OF JAPANESE OFFICIERS IN TIENTSIN

Sino-Japanese problems were discussed at great length at a special conference of high Japanese military officers in North China Oct. 13, which lasted for over two hours. The conference was called by Lieut.-Gen. Tashiro, Commandant of the Japanese Garrison in North China, in view of the visit of Col. Sanetaka Kusumoto, chief Japanese resident officer in Shanghai. At the conference Col. Kusumoto made a report on the Sino-Japanese negotiations which have been carried on in Nanking between Mr. Kawagoe, Japanese Ambassador, and the Chinese Ministry of Foreign Affairs. Col. Kusumoto arrived at Tientsin Oct. 12 from Shanghai by plane, and attended the conference immediately after arrival.

Interviewed by the press, Col. Kusumoto said that Gen. Chiang has accepted the Japanese proposals "in principle," but no optimism regarding the future of Sino-Japanese relations could be entertained until the Chinese authorities indicated their actual intentions. Gen. Chiang, the Japanese officer added, now "stands at crossroads, when he must quickly decide whether he wants to fight Japan or shake hands with her".

PEIPING TO BE IMAGINARY TARGET FOR ATTACK IN JAPANESE MANEUVERS

Peiping will be the imaginary objective for attack in the mammoth maneuvers of Japanese troops, scheduled to be held from Oct. 25 to Nov. 5, which will be the first major sham battle of the North China Japanese Garrison since its enlargement last April. Headquarters of the attacking force, *Central News* reports, will be established in Tungchow, seat of the bogus East Hopei Autonomous Regime. With the Tientsin and Peiping garrisons as the basic units, the maneuvers will be participated in by all the Japanese military units stationed along the Tientsin-Peiping railway. From Oct. 26 to 29, according to plans, separate sham battles will be held in the vicinity of Peiping and Tientsin, while combined practices of attack and defense will be staged from Oct. 30 to Nov. 1 in the vicinity of Peiping. On Nov. 2 the combined forces will be concentrated in Tungchow, and on the following day they will march towards Peiping in a imaginary battle of fierce attack. The maneuvers will be concluded on Nov. 4 when a review will be held at Papaoshan outside the Hsichihmen Gate with Lieut.-Gen. Tashiro, Commandant of the Japanese Garrison in North China, taking the salute. The entire forces will be "demobilized" on Nov. 5, returning to their respective stations.

In order to avoid possible misunderstandings which may arouse between Chinese people and Japanese troops during the latter's grand maneuvers in Peiping, Tientsin and Tungchow this weekend, the Hopei and Chahar Political Council has decided to appoint four staff officers to accompany the Japanese forces during the maneuvers.The Foreign Affairs Committee of the councilhas also been instructed to send four officials to go with the Japanese forces.

JAPANESE GENDARMES OCCUPY DISTRICT COURT PREMISES IN TANGKU

The Japanese gendarmes occupied Oct. 17 the premises formerly used as the Tangku branch of the Tientsin district court, according to *Central News*.

The Ministry of Foreign Affairs has lodged a protest with the Japanese authorities against their occupation of salt beds at Tangku for military purposes, according to *Central News*.

The Japanese authorities in Tientsin have decided to increase the number of Japanese Consular policemen in North China as from November 1. All the Japanese policemen in Tsinan, Tsingtao, Tientsin, Peiping, Kupeikow, Shanhaikwan, Taiyuan, Kalgan and other cities will be placed under direct control of the headquarters of the Japanese Consular police force in Tientsin.

A Japanese plane was seen roaring over Tsinan capital of Shantung Province Oct. 16.

With the approval of General Sung Che-yuan, the number of the police and peace preservation units of Tientsin has been increased by 1,500, in order to strengthen local peace and order.

As a first step toward the enforcement of the new Conscription Law, Shansi expects to enlist 30,000 adults shortly for military service.

A Japanese mission consisting of 11 members of the House of Peers, headed by Z. Horikiri, formerly Mayor of Tokyo and now secretary-general of the Imperial Cabinet, arrived at Canton Oct. 16 for a brief visit, during which they intend to study conditions in South China.

ALLEGED "BLACK MOLE GROUP" OF CHANG HSUEH-LIANG ACITVE IN MANCHURIA

Shanghai Mainichi reported Oct. 16 that Gen. Chang Hsueh-liang is keeping connection with the local bandits in Manchukuo. He has organized the "Black Mole Group," and, for the purpose of making investigations of the Japanese and Manchukuo armies, he secretly sent sixty members of this group to Manchukuo. They penetrated into Manchukuo, disguised as coolies and performers of public shows. The left arm of each member of this group was tattooed with a triangle-shaped mole by Chang Hsueh-liang himself. The Japanese-Manchukuo authorities are exercising a vigilant watch on this matter.

LI SHIH-HAO OUTLINES PRINCIPLES FOR ECONOMIC DEVELOPMENT OF NORTH CHINA

Li Shih-hao, newly appointed Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council, assumed his duties Oct. 15. Interviewed, he said that in deference to the wishes of General Sung Cheh-yuan, Chairman of the Hopei-Charhar Political Council, he has taken up his new office. For the economic development of North China, two principles will be pursued:

(1). Non-impairment of the interests of the people of North China and

(2). No infringement of the sovereign rights of the country.

He said he had been enjoined by General Sung to carry out the program of economic development on the basis of equality, reciprocity, mutual existence and mutual prosperity. Steps will be taken for the improvement of cotton production in North China, construction of the Tsangchow-Shihchiachuang Railway and exploitation of the Lungyen iron mines, the plans for which are still under preparation.

Mr. Li called on Lieut.-General Tashiro, Commander of the Japanese Forces in North China, Oct. 19 to exchange views concerning the economic development of North China. The interview lasted two hours, following which Mr. Li paid a visit to Tateki Horiuchi, Japanese Consul-General at Tientsin. Mr. Li returned to Peiping Oct. 20 to submit a report to General Sung Chehyuan. After a few days, he will proceed southwards to Nanking to receive instructions from the Central authorities.

Li Shih-hao, Chairman, Economic Committee, Hopei-Chahar Political Council.

Major Imai, Japanese military attache, told foreign correspondents Oct. 16 that he had seen Li Shih-hao, new chairman of the Economic Commission, and had had a long talk with him. Mr. Li, he continued, had had long talks with General Sung Chehyuan and fully understood the desire for Sino-Japanese economic co-operation in North China, Since Mr. Li was favoured by the Chinese he was also favoured by the Japanese for his post, said Major Imai. So far as he was aware, no formal contract between Japanese and Chinese concerning the Lungyen iron mines and iron foundry had been signed. He understood that the Chinese authorities had selected some persons to run these enterprises. The Major was questioned concerning reports that General Tatekawa, now in Peiping, was to be a high adviser to the Hopei and Chahar Political Council. He said he knew nothing about it.

HOPEI-CHAHAR POLITICAL COUNCIL APPOINTS STANDING COMMITTEE OF THREE

General Chi Hsieh-yuan, General Chin Teh-chun and Chia Teh-yao were appointed to take charge of the routine affairs of the Hopei-Chahar Political Council at meeting of the Council Oct. 16. The meeting was presided over by General Sung Chehyuan, those present including Wang Yi-tang, Generals Chi Hsiehyuan, Chin Teh-chun, Chia Teh-yao, Li Ting-yu and Chen Chuengshen.

SHIH YU-SAN APPOINTED GARRISON COMMANDER OF NORTH HOPEI

Gen. Shih Yu-san was appointed Oct. 19 by Gen. Sung Chehyuan as Garrison Commander for North Hopei. The expenses of the Garrison Headquarters of North Hopei will be $7,000 monthly.

JAPANESE TAKE SERIOUS VIEW OF EDUCATORS' MANIFESTO

Domei reported Oct. 13 that Japanese authorities in Peiping took a serious view of the manifesto on Sino-Japanese relations published over the signature of leading educationalists in Peiping. The pronouncement, which urged the abrogation of the Shanghai, Tangku truce agreements and of the accord between Gen. Ho Yin-ching and Major-Gen. Yoshijiro Umezu regarding North China, was interpreted by the Japanese officials as constituting an open incitement to the Chinese people to settle Sino Japanese differences by force of arms. Of particular interest to the Japanese authorities, appeared to be the reason why the Hopei and Chahar Council, while exercising a strict press censorship, authorized the publication of the declaration which denounces the Council as a political organization created by "outside forces" and voices opposition to organs of that kind. The manifesto further urged that all Sino-Japanese diplomatic negotiations be made public, that troops be sent to the border regions to protect Chinese soil and to recover lost territories in the Northeast and that effective measures be taken to stop smuggling at once. Also demanded was the cessation of "all interference by aliens in the internal affairs of China" and the halting of all "illegal military activities in North China."

Seventy-seven signatures were affixed to the document, which will be further circularised among leading residents to obtain more adherents, before being mailed to the Nanking government.

In order to keep the intelligentsia of Peiping duly informed of the present situation and to cultivate mutual friendly relations, Lieut.-General Chin Te-shun, Mayor of Peiping, gave a luncheon in honor of the Presidents of the various Government and private Universities Oct. 17.

SKIRMISHES BREAK OUT BETWEEN SUIYUAN FORCES AND BANDIT INVADERS

Several skirmishes between mounted patrols of the irregular-bandit army under Wang Ying and Suiyuan troops on the east Suiyuan border were reported in dispatches received at Peiping Oct. 17 to have occurred during the last two days. So far, however, these messages state, no major clash has yet broken out. With the weather turning extremely cold, snowfall having already been reported, the irregulars are stated to be wearing winter uniforms. These skirmishes, according to well-informed circles, were tactics of the attackers to test the strength of the Suiyuan defense forces.

In view of the growing tension in eastern Suiyuan which the bandit leader, Wang Ying, is making preparations to invade, General Fu Tso-yi, Governor of Suiyuan, left Kweihua for Pingtichuan Oct. 17 to inspect defense work there. Pingtichuan is only fifty kilometers southeast of Taoling, where the main forces of Wang Ying and Li Shou-hsin, the bogus commander of the Mongolian Peace Preservation Corps, are now concentrated.

The planned invasion of eastern Suiyuan will be along two routes with Choszeshan on the Peiping-Suiyuan line as their objective. A part of the invaders, will attempt to penetrate into Suiyuan from Hsinhohsien on the Suiyuan-Chahar border, while another detachment will try to capture Taoling from Dolonor in inner Mongolia. Eight military airplanes, belonging to "certain quarters," with their headquarters at Changpei, are making daily reconnoitering flights to Hsingho and Yangkiang.

All military units controlled by various Mongol Banners and Leagues in Suiyuan have been mobilized to cooperate with Chinese defenders of the province against bandits and irregulars from Chahar. The mobilization of the Mongol forces came as a result of an agreement recently reached between General Fu Tso-yi, Chairman of Suiyuan, and Prince Sha and Prince Ah,

THREE NEW MEMBERS APPOINTED TO CHAHAR PROVINCIAL GOVERNMENT

At its meeting Oct. 20, the Executive Yuan appointed Kao Tse-ming, Yang Mu-shih and Lu Chen as new members of the Chahar Provincial Government. Mr. Kao was made Secretary-General of the provincial government in succession to Yang Chaokeng and Mr. Yang was appointed Commissioner of Finance to succeed Mr. Kuo Tse-han.

DELAY IN ELECTIONS CAUSES POSTPONEMENT OF PEOPLE'S ASSEMBLY

Indefinite postponement of the National People's Assembly, scheduled last December by the National Party Congress to be held in Nanking on Nov. 12 this year, was decided upon by the Standing Committee of the Central Executive Committee on Oct. 15. The decision to postpone the Assembly was officially recorded to be necessitated by the delay in the elections of delegates in the various provinces and municipalities. The postponed date for the convocation of the Assembly, according to an official announcement, will be decided later following the completion of the elections of delegates in all specified areas. The meeting was presided over by Gen. Feng Yu-hsiang, vice-Chairman of the Military Affairs Commission, in the absence of Gen. Chiang Kai-shek, who is concurrently Vice-chairman, of the Standing Committee of the C.E.C.

Sun Fo, president of the Legislative Yuan, expressed his belief that the National People's Assembly would be held next Spring. Though the Assembly has been postponed, Mr. Sun stated, elections of delegates to the Assembly will continue.

The main reason for the postponement of the Assembly, according to *Shanghai Mainichi*, is the worsening of Sino-Japanese relations, the opinion being that no agreement between China and Japan can possibly be reached before the end of this year. Had November 12 been allowed to stand as the date of convocation, political observers declare, the Assembly would be influenced by the anti-Japanese views of the delegates from the Northwest and the Southwest. Moreover, were the Assembly to elect General Chiang Kai-shek as President of the Republic, the latter would be placed in an awkward position in his negotiations with Japan.

Shanghai Mainichi reported Oct. 15 that the postponement of the Congress is due to the tense situation in recent Sino-Japanese relations. It is believed that, within this year, Sino-Japanese negotiations can hardly be completed with satisfactory results. In the event of the opening of the Congress, the representatives of the Southwestern and the Northwestern Provinces will voice strong anti-Japanism, thereby causing bad effects upon the negotiations between China and Japan. The second reason for the postponement is that the Liang-Kwang problem has not yet been completely settled.

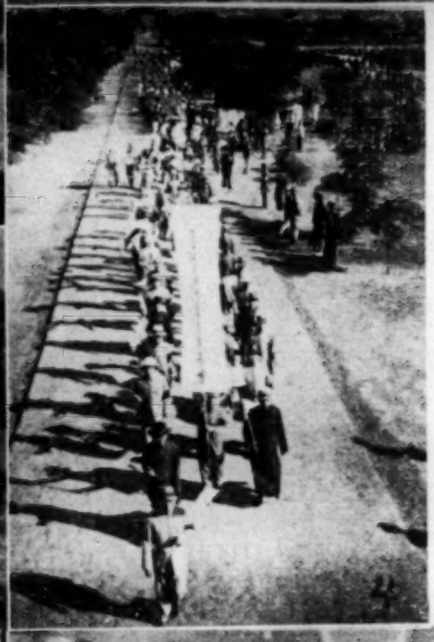
NANKING REMITS $500,000 TO KWANGSI AS SUBSIDY

The Ministry of Finance has remitted a sum of $500,000 to General Li Tsung-jen, as subsidy for Kwangsi's administration, according to *Ta Kung Pao*, Oct. 18.

Gens. Li Tsung-jen and Pai Chung-hsi of Kwangsi have sent a representative to Nanking to ask the Central authorities to increase their subsidies for meeting the military expenses of the province. Hsu Wen-min has been appointed special representative of the Kwangsi Provincial Government to be stationed in the capital.

Northeasterners to "Fight Back to the Old Home"

SPECIAL CORRESPONDENCE FROM SIANFU



1—Gen. Chang Hsueh-liang addressing mass-meeting at Sian, capital of Shensi.

2—Citizens of Sian, most important city in the Northwest, gathered to hear patriotic address by Gen. Chang Hsueh-liang.

3—Refugees from Manchuria parade in Sian on anniversary of Japanese occupation of their homes, Sept. 18.

4—Students and alumni of the National North-eastern University at Mukden, who are now attending school in Sian. The large Chinese university at Mukden has been closed and is now used as a barracks for Japanese troops.

5—The snow-capped mountains represent the "Tungpei" area of Manchuria. The inscription on the poster reads, "Oppressed northeastern countrymen, our native land is in sight."

6—Typical poster in Sian, "Only by resisting Japanese can world peace be maintained."

7—Another Sian poster, "Resist Japan and save our country."

IN SIANFU I have discovered why "Young Marshal" Chang Hsueh-liang's headquarters is now the Mecca of the North China student leaders who have graduated from the "demonstrating" stage and want to do actual fighting on the anti-Japanese front. These students did not migrate to the Southwest this spring and they have never offered to join any other army in China. But scores of them have pawned books and clothes for railway fare and are waiting in Sianfu to enlist for work among the Tungpei, "Northeastern", troops stationed here. I was told that about one hundred are already enrolled in "Marshal" Chang's new Political Training School in a village nearby, after which they will do special work with the troops under regular army discipline.

It is here that the serious anti-Japanese movement in China is formulating itself—as one might expect that it logically should—among the Northeastern exiles driven from Manchuria in 1931. The Tungpei Army, rank and file, is now, after five years' wandering, in a high temper against the continued "peace and order" non-resistance policy toward Japan. It is my guess that the first shot fired on the national defense front with full intent and purpose to penetrate a uniformed Nipponese bosom will come from the impatient rifle of one of these homesick, ill cared-for, ill-equipped, desperate, but *li hai* men-without-a-country, with or without orders—just as the first

firecracker in the new partiotic movement was exploded by a shock troop of Tungpei students who led the heroic little demonstration on December 9th right through the cordons of armed police without any fear of the consequences (the forty-six that were imprisoned as Bolsheviks, and only released upon the personal guarantee of the Young Marshal himself). Among the Tungpei people one finds that "k'ang erh", "resisting Japan", is not regarded as a great and supreme "sacrifice", but as a duty—and even mayhap as a pleasure.

The "Young Marshal," who may be regarded as the most conservative element in the situation, has announced publicly as part of his active new anti-Japanese stand that he is "prepared to die on the first front whenever the Government gives the order." For the first time since he lost his patrimony in 1931, Chang seems determined to fight, and is taking open leadership of the patriotic movement among his Northeastern followers. I may add that he is very healthy, unscathed by any assassin's bullet, and very busy with the superintendence of military affairs. The spirit of the new movement may be indicated by some of the phrases in recent speeches to his officers: "The Northeastern Army must stand on the first front of national defense and history gives us the great mission of restoring our lost territory." "If my determination wavers, the rifle is in your hand. You can kill me at any time." "This will be a war for race preservation. Resisting Japan is the only way out for the Chinese race. Action and preparedness must now come together, and now is the time to call up the emotion of the people to unite the loose sands together." "Do not be influenced by the mechanical theory of preparedness. We must plan to bring all national forces together for guerilla warfare over a long period of time, and the topography is all in our favor, etc., etc."

On the fifth anniversary of the Mukden Incident on Sept. 18, after a big demonstration and a petition had been presented to him demanding the immediate mobilization of the Northeastern troops against Japan, the Young Marshal made a passionately patriotic speech before a mass meeting of 12,000. Since that day the city has been covered with slogans such as: "This September 18 is the unprecedented Humiliation Day for the Chinese race!" "Resist the Japanese and restore our territory!" "Resisting the Japanese and restoring our territory is the sole mission of the Chinese people!" The most popular slogans are: "Only by resisting Japan can the real unification of China be manifested!" "Only by resisting Japan can the Chinese people be revived!" "We petition the Government to lead all our countrymen to fight the Japanese immediately." These three are meant to influence the Central Government to fight and are a revision of the usual Nanking slogan: "Only by unifying the country can the Chinese people be revived," etc.

On October 4, a Northeastern Peoples' National Liberation Association of 200 initial members was formed for the first time in Sianfu, including several of the Young Marshal's subordinates, officers, soldiers, and officials as well as students and citizens of various professions. This is the first time military men have dared join such an organization so far as I know. Resolutions passed demanded that the Central Government send troops to Suiyuan to help the anti-Japanese fighters there, and pledged support to the Northeastern Volunteers in Manchuria and to the Suiyuan troops by collecting funds for the families of the dead and wounded, as well as to organize a Womens' Nurses Corps to take aid and comforts to the Suiyuan fighters. A further resolution was to send delegates immediately to all parts of China to begin active cooperation with other National Liberation Associations on their program.

Because their psychology is now "facing outward" and their thoughts are with certain of their fellow-countrymen now having a subversive good time in the kaoliang-paradise of "Manchukuo," the Tungpei soldiers several months ago seem to have automatically decided that bandit-suppression was not nearly so much fun as preparing to "fight back to our old home," in the now-popular Tungpei phrase, to join in the activities of the volunteers there. It is common knowledge here that no serious fighting has occurred for some time between the Tungpei troops and the Reds, fraternization between the supposed belligerents going on apace. At present the fighting, so far as I can discover, is being carried on solely by Central Government troops. The effective new policy of the Reds, in conformity with their anti-civil war, anti-Japanese slogan advanced this spring, is never to fight unless attacked, and the Tungpei troops have sedulously avoided attacking. In the meantime the Communist propaganda offering an anti-Imperialist united front against Japan and the formation of a National Defense Government with any and all parties and armed forces, including the Nanking Government, does not seem to have been wasted—either in Shansi or Shensi. After the "bloodthirsty Bolshevik-bandits" had captured as many Tungpei men and officers (in a friendly spirit) as possible, converted them thoroughly to the "historic necessity" of a united front of all Chinese against imperialism as in the pre-1927 period, and released them as carrier pigeons to return and spread sweetness and light, the idea seems to have spread throughout the Tungpei ranks. Putting the most anti-Japanese, most underfed, most "proletarianized" troops in China in direct contact with the Communists was a tactical blunder of the first order on the part of Nanking. It is said here that probably between fifteen and thirty percent. of the Tungpei troops have already deserted and joined the Red Army. The army, according to one statement, has dwindled from over 250,000 troops in 1931 to some 130,000 at present.

Because of the flatly anti-civil war, bitterly anti-Japanese attitude of the Tungpei troops, and since all the important Communist armies in China (estimated variously as between 50,000 and 200,000 effectives) united forces in the middle of September in the west-Shensi, east-Kansu area—Chu-Teh, Hsiao Keh and Ho Lung having come north to join forces with Mao Tze-tung in Shensi, declaring their purpose to begin an anti-Japanese war of resistance and inviting the cooperation of all anti-Japanese units, the situation has become intensely critical. Sian is full of rumors that delegates from various provinces are busily discussing possible national defense plans, especially from what the Japanese uneasily call the "Feng-system," i.e., Sung Cheh-yuan (who has noticeably stiffened his attitude of late), Han Fu-chu, Yen Hsi-shan, and Chang Hsueh-liang and Yu Hsueh-cheng, etc. As a result of the general crisis, Marshal Chiang Kai-shek is rushing his best troops from the south and massing them in the Sian area, including his crack unit, the First Army brought from Kwangsi, under his most loyal anti-Red general, Hu Chung-nan. This move can only be regarded as not only pressure on the Reds, but as a disciplinary measure against the wavering loyalty of the Tungpei troops and as a distinct moral influence on his erstwhile "little brother", Chang Hsueh-liang.

This critical situation has given rise to Japanese reports that Chang is planning a Northwest independence movement, hoping to form analliance with Soviet Russia against Japan, etc., a rumor which Chang has publicly denied. The exact situation seems to be that the Young Marshal, acting on the urgence of his younger officers and men, is primarily interested only in a real anti-Japanese movement, and sincerely hopes to influence Chiang Kai-shek to lead active resistance if any further pressure is applied, offering full support whenever the order to struggle is given, and affirming the loyalty of the Northwest officers. If no such order is given, and if no ally seems forthcoming from Nanking, quite another attitude may possibly ensue in the near future. In Chang's own words: "Only by resistance to foreign aggression can the real unification of China be manifested," and "if the Government does not obey the will of the people, it cannot stand."

In view of the above background, and read in relation to it, the interview with Chang Hsueh-liang, Deputy Commander-in-Chief of Northwest Bandit-Suppression, given to Mrs. Edgar Snow for the London Daily Herald, and to the official Chinese press on October 3, contains some significant material. The following English translation of the interview, which appeared in the North China Star on October 9, was checked and authorized for publication by Chang Hsueh-liang and his English-speaking secretary:

"Question: Now that the relations between China and Japan are reaching a new crisis, have you any new policy on the question of national defense?

"Answer: In this connection I wish to make three simple points: (1) It is not for China to decide whether there shall be peace but for Japan. If Japan does not now permit China to go along the peaceful way then China has now reached the last extremity when we must make the supreme sacrifice." (He used Chiang Kai-shek's famous phrase "chui hou kuan t'ou", meaning that fighting Japan is the supreme sacrifice which will be made in the last extremity. (2) There are rumors that the Five Northwestern Provinces will organize an independence movement and make an alliance with Soviet Russia. I wish to state that this rumor is false. (3) I and the high military offiers of the Northwest absolutely support the movement for the unification of China and will obey the leader—I mean Marshal Chiang Kai-shek—in any program for unified resistance against foreign aggression. I represent the military comrades of the Northwest in swearing that we are prepared to die on the first front whenever the Government gives the order."

"Q: At present in China there is a strong new patriotic movement developing, such as the student movement, which has a definite plan for national defense such as demanding civil liberties and absolute freedom for the anti-Japanese movement, asking that all parties and factions unite, stop all civil war and fight the Japanese immediately. Since you helped to get the release of 46 Northeastern students imprisoned in Peiping last winter, many people, and the students especially, think you are sympathetic with this patriotic movement. What do you think of it?"

"A: So long as this movement is reasonable and lawful the government must permit it. But sometimes the Government has its own particular difficulties in this connection.

"Q: It seems obvious that Japan is determined to proceed along the lines of the Hirota program and is already putting this into effect in North China without much hindrance. What do you think about this?

"A: So far as I know the Government has not accepted Hirota's program. The Government must obey the will of the people, and the people of China will never accept this program. Therefore even if the Government should want to cooperate with the aggressor on this basis, the people would never permit it. *If the Government does not obey the will of the people it cannot stand.* For instance, in 1915 the Peking Government accepted the 21 Demands but the people have refused to recognize this."

"Q: The recent eight incidents in Chengtu, Hankow, Pakhoi, Shanghai, etc. having erected a new crisis in Sino-Japanese relations, what do you think the policy of the Government should be—to continue to suppress the anti-Japanese movement or to resist the Japanese demands?"

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"A: I'm sorry, but I am not the government and I personally cannot reply to this question."

The Young Marshal then made the following statement emphatically:

"I firmly believe that the *real* unification of China is possible and that we can then successfully resist aggression. I believe this because since the aggressor took the Northeastern Provinces many different civil wars have been imminent, but because the Chinese people all really want to unite against foreign aggression, public opinion has prevented these wars from occurring. *But only by resistance to foreign aggression can the real unification of China be manifested.* (Emphatically).

"Q: But how about the civil war between the Nanking Government and the Reds—is it your idea that the *real unification* of China includes stopping this fighting also? It is said that the Tungpei troops do not want to continue this fighting but to start a cooperative anti-Japanese campaign now instead."

"A: I and the high military officers of the Northwest are absolutely loyal to the Government. But if the Communists can sincerely cooperate with us under the leadership of the Central Government to resist the common foreign invader, perhaps it is possible that this problem can be settled peacefully as in the recent Southwest case."

Sian, Shensi, Oct. 18, 1936.

Yangtsze to Be Spanned by Bridge at Hankow

General Yang Yung-tai, chairman of the Hupeh Provincia Government, has decided to build a bridge across the Yangtsze river at Hankow and Wuchang. The engineer, Mr. Mao, who is responsible for the building of the bridge across the Chientang river at Hangchow, has been invited to Hankow to make a preliminary survey. It is reported that a definite decision has been reached regarding the location of the bridge and actual survey and other preparatory work will be started in the near future.

Export of Chinese Tea to Russia Shows Decline

A total of 11,888 tons of Chinese tea was exported into the Soviet Union during the last year, showing a decrease of 5,466 tons as compared with the total for 1934, which reached 17,357 tons.

Foochow Wants a Loan of $900,000 to Construct Waterworks

A petition seeking permission for the issue of a loan for $900,000 for the establishment of a waterworks in Foochow, provincial capital of Fukien, has been submitted to the Executive Yuan by the Fukien Provincial Government.

Campaign Launched to Fight Animal Dissase

The Ministry of Industries is launching a campaign to fight animal disease which has during the last few years indirectly caused a heavy drain on China's nationals revenue. According to a survey made by the Ministry of Industries, animal disease is assuming proportions in the various border provinces, including Suiyuan and Chinghai.

Embargo on Grain Exports Is Predicted

The Shanghai *Nippo* predicts that an embargo an rice, wheat and flour is likely to be proclaimed by the Chinese Government in the near future, because of a heavy rise in prices.

Shanghai Banks Finance Transportation of Hunan Rice to Kwangtung

In an attempt to supply Hunan rice to the people of Kwangtung, Shanghai banks, including the Bank of China, the Bank of Communications, the Kincheng Banking Corporation, the Continental Bank, the Yen Yieh Bank, the State Bank of China, the China and South Sea Bank, the Farmers' Bank, aud the Chinese Manufacturers' Bank, have formed a banking syndicate to finance the transporation of Hunan rice to Kwangtung.

Joint Administration Committee Formed for Sung Sing Cotton Mills

A committee for the administration of the Nos. 2 and 5 cotton mills of the Sung Sing Textile Manufacturing Company has been organized by the Company and two local banks, namely the Bank of China and the Shanghai Commercial and Savings Bank. The two cotton mills, which have been in suspension for some time, will be reopened shortly as a result of the arrangements made between the company and the aforesaid banks for joint management.

Lu Tsung-yu Appointed Managing Director of Lungyen Coal Mines

Lu Tsung-yu, Minister of Communications of the defunct Peking Government, was appointed Oct. 19 Managing-Director of the Lungyen Coal Mines by an order issued by the Hopei and Chahar Political Council.

100 New Buses for Hopei Highways

One hundred new buses, recently purchased by the Hopei-Chahar Political Council, will be commissioned to run on the various highways in Hopei, it was officially announced in Tientsin, Oct. 13.

For the completion of the network of highways in the province, the Anhwei Provincial Government has concluded a loan of $1,200,000 with the Wuhu branch of the Farmers Bank of China.

Scouts Jamboree Exemplifies New Spirit of Nation

BY C. Y. W. MENG 孟 晨 沐

THE jamboree of the Boy Scouts and Girl Guides formed one of the important items in the celebration of the Chinese National Day in Nanking Oct. 10. A walk around the camps and a chat with some of the boys and girls revealed that the youth of China today are starting life with a liberal modern education. The sedentary calligraphy and classic exercise that formerly formed the principal part of education are rapidly being supplanted by training to prepare the rising generation to shoulder the responsibilities of citizenship under a united centralized government. One of the great features of the camp was the huge oil painting in front of the general camp headquarters, showing General Chiang Kai-shek, who is the President of the China Boy Scout Association, mounted on a horse, leading the youth of China forward to tackle the problems of the day, and to fight for the Nation. Another most encouraging sign was the general use of the national dialect or "Kuo Yu" in the camps, comprising another strong bound that was indicative of unity among the coming generation.

These boys and girls representing the Provinces of Kiangsu, Chekiang, Anhwei, Kiangsi, Fukien, Honan, Hopei, Hupeh, Hunan, Shansi, Shensi, Kwangtung, Yunnan, Kweichow, Suiyuan, Chahar, Kansu, Shantung, Liaoning, Kirin, Heilungkiang, (the last three are known as "Manchuria") and Jehol, and the Municipalities of Nanking, Shanghai, Tientsin, Hankow, Kiangnin, Tsingtao, Peiping, Canton, came to the Capital a few days ago, and camped on Dr. Sun's Mausoleum. Kiangsu led in numbers, it having 3,131 boys and girls, Liaoning, Kirin, Heilungkiang and Jehol—all these Provinces are now under Japanese military occupation—were also represented by 17 boy scouts.

At the entrance of each camping district representing one province or municipality, there stood some "paper tanks," "wooden battleships," "straw bombs," etc., which indicate clearly that the Chinese youth of today are more military spirited! In one place, at the entrance, there was a map of the "Pescadore Islands" with a brief description of their area and population, etc., on the right corner—apparently for the purpose of reminding the Chinese that these Islands were a Chinese territorial procession before, but were ceded to Japan in 1895. In another, at the entrance, there was a big arch-like gate. There were written many striking Chinese sentences, such as "Return our kingdom"; "Take back our lost territory"; "Sleep on the spear until the dawn"; (meaning to fight when day breaks); "Destroy our axes and sink down our boats"; meaning to fight with bare hands, and to die on the battle-field, but never to return. All these are sayings of the Chinese heroes who once laid down their lives for the nation in old days. The young Chinese of today remember their words by heart!

On October 9, in the afternoon, the boys and girls were shown the demonstrations of anti-aircraft guns and practices, while more than 100 powerful planes were soaring in the air. This is the first time we saw so many planes soaring in the air since the development of China's air forces!

"Take Back the Lost Territories!"

On October 10, at 9 o'clock, at the Central Stadium, the Boy Scouts and Girl Guides were reviewed by General Chiang. When 17 boy scouts from Manchuria and Jehol marched past the reviewing stand, they wept and cried! The officials on the reviewing stand could not but stand up to clap their hands, while General Chiang not only paid his respects to the four flags representing the four provinces now under Japanese military occupation, but, being so grieved, could not held but let his tears run down his cheeks! General Feng Yu-hsiang, the "Christian General", wept and cried so bitterly that he almost lost his voice, while the many boys and girls as well as the spectators on the stadium all joined in weeping, crying and mourning the loss of the "Alsace-Lorraine" of China! Then shouting of slogans followed. The 10,000 boys and girls as well as the 50,000 spectators all joined in shouting "Take back our lost territories!"

General Chiang, in his speech, informed the boys and girls of the importance of national unification, and reminded the young generation of their "responsibilities" at present on their shoulders: they are: "to save the nation"; "to regain our lost rights"; and "to regenerate the nation." The General urged the boys and girls to obey the "12 Kuomintang Postulates" to guard themselves. Other leaders, in their speeches, on previous days, also spoke along the same line. Dr. Wang Shih-jih, Minister of Education, reminded the boys and girls of the old saying that "the national crisis serves as an impetus for the revival of the Nation", meaning that we need not be disappointed by the crisis we are facing, but we should fight on; China will revive!

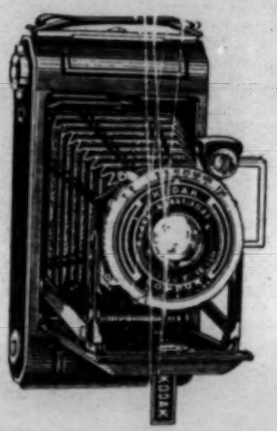
Manchurian Scouts Interviewed

On the next day, I visited the camps of Boy Scouts representing Manchuria and Jehol, and saw at the entrance, four big Chinese words—"The Four North-Eastern Provinces"—with a map of these provinces in the middle. Interviewed, one of the boy scouts said emphatically, "We must take back our lost territories". Interviewed as to the present situation in Suiyuan, one boy scout master of Suiyuan answered right away that "Suiyuan is in a critical condition"! "Both sides (meaning the Suiyuan provincial troops and the "bandits" from Manchuria) had faced each other for as long time, and had exchanged fire several times. Amid the 'bandit troops', there are Japanese military officials who directed the operation. At present, although the Japanese regular troops have not yet taken an active part in the invasion, they only wait for the chance to strike," said the scout master. According to him, Prince Teh is surrounded by Japanese officials and he has definitely gone over to the Japanese side. He confirmed that the Japanese military planes always fly to Suiyuan, and that the Japanese supply the "bandits" with ammunition. Questioned as to what is the Japanese motive for military activities, the boy scout went on to explain the situation, adding inter alia that "Japan wants to wrest five eastern hsiens from Suiyuan, so as to cut the Peiping-Suiyuan Railway in two, to facilitate their further invasion of North China Proper on one hand, and to defend themselves from possible attacks from Russia on the other. Asked what about the Chinese "defence," in face of imminent invasion, he assured me that General Fu Tso-yi, the Suiyuan Chairman, "will defend the territory!"

Reproduction of handbill distributed in Nanking on the Chinese National Holiday, Oct. 10. It shows a Japanese warlord in process of carrying China away completely. The symbolic character in the upper left corner represents the Chinese "Double-ten," national holiday, Oct. 10.

In another camp, when questioned about the distribution of prizes which were on display at the headquarters, one young scout made a most significant statement that "we do not come here (Nanking) for prizes, but we come here to present as united front against the outside aggression under the direction of the Central Government!"

In their departing speech, delivered at the broad-casting station, these Manchurian and Jehol boy scouts went on to describe the present "schooling" in their native land where the principals, deans, and instructors of the schools throughout Manchuria and Jehol are mostly Japanese; where the study of Chinese history and



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geography is impossible; and where in every meeting, the Chinese had to bow down before the portrait of Henry Pu Yi, to read his creed, to sing the Manchukuo national song, and to kneel down before the "Manchukuo Imperial Palace." "The Chinese are not willing to do all these things, but they could not help it. The Chinese have suffered a great deal spiritually. There is not only no protection for our lives and property, there are many other untold sufferings. We hope under the direction of General Chiang, to work with you in the national development and rejuvenation. We are willing to proceed to the 'front' to have a decisive fight with the savage invaders!" they said.

Lantern Procession—Bombardment of Shanhaikwan Recalled

On the evening of the National Day, the 10,000 boys and girls started the lantern procession. Again, we can see many signs that the Chinese nation's feeling is burning. Besides bearing such words as "Commemoration of the National Day," many other lanterns bore such words as: "Return our kingdom"; "Take back our lost territories"; "To wrap our bodies with the skin of the horses" (meaning to die on the battlefield and to wrap the bodies with the animal skin); "Be prepared" (meaning be prepared to fight), etc. Another big lantern was in the form of a Chinese "city gate," bearing such words as "the First Gate Under the Heaven," meaning, of course, "Shaihaikwan" in North China" and immediately following this lantern, was another big lantern in the form of a military plane, meaning, of course, a Japanese plane. The sole idea was obviously to call the attention of the people to the "bombardment of Shanhaikwan by the Japanese in 1934"! Along the road whenever the lanterns bearing the names of the "four North-Eastern Provinces" and "Jehol" made an appearance, a tremendous ovation by the crowd was accorded to them. Besides clapping their hands, fire-crackers were fired to greet the boy scouts from the "lost territories!"

General Feng's Message and His "Marble Table"

In expressing his "hopes" to the coming young generation, General Feng, in his message, said that "in the present situation, we have to exert 'special efforts' to make the children know the national crisis," and "to equip them with various arts of coping with the national crisis to make them more patriotic and to educate them with the spirit of sacrifice." The "Christian General" hoped that when 10,000 boys and girls go back, they would lead the youth of the nation "to participate in the struggle for the emancipation of the Chinese people."

Instead of presenting a silver shield, cup, or banner, as the prize, General Feng presented a "marble tablet," 30 inches in eight, and 17 in width, on which is engraved a map of "Manchuria and Jehol," with such words as "We should think to take back our lost territories," and "we should never forget our kingdom." At the right corner, there is a brief description of the area, population, etc., of the four Provinces: Area: 3,872,017 li; Population: 28,592,382; Forestry: 2,523,397 mow; Iron: 963,829 tons; Coal: 9,119,400 tons; Petroleum: 455,767 tons; Railway: 3,538,517 li., etc.

The Boy Scout Jamboree exemplifies the patriotic spirit of the Chinese nation.

Nanking, October 13, 1936.

Edna Lee Booker Writes Book, Then Broadcasts It

Mrs. John S. Potter, who, before her marriage was Miss Edna Lee Booker, has written a book entitled, "Under Fire in China," which gives her experiences as a war correspondent. According to the reports in the American papers the book apparently was fostered by the Hearst press with which Miss Booker was connected for a time several years ago. The book is being broadcasted over the Hearst wireless, chapter by chapter, the first installment being "A Chinese Official During an Uprising," and the second, "Under Fire in China." The announcement which preceded the re-enactment of the scene, said it was a most bloodcurdling incident, illustrating how an American newspaperwoman risked her life "in order that home Americans could sit in peace and read all about it."

Miss Booker came to China originally as a member of the staff of *The China Press*, following which she joined the *International News Service*, (Hearst) and covered the wars of Marshals Wu Pei-fu and Chang Tso-ling. John S. Potter, her husband, is connected with the China Realty Company. Mrs. Potter went to Los Angeles on a visit sometime ago with her parents but is expected back in Shanghai shortly.

China Consents to New British Oil Depot in South Seas

Consent to the establishment of a British refuelling station on the Paracels Reefs, southeast of Hainan Island, has been secured by the British Air authorities, *Domei* learned from Chinese sources at Hongkong Oct. 14. The permission was given by Gen. Chiang Kai-shek, during a meeting with Air Commodore Sydney Smith, Commander of the British Air Forces in the Far East, in Canton last month.

Anglo-Chinese Credit Fixed at £10,000,000?

The *Shun Pao* Oct. 16 stated that the Anglo-Chinese credit loan will amount to £10,000,000. It was reported that Sir Frederick Leith-Ross endeavored to arrange a loan of £20,000,000, but according to the present arrangement, the loan is to be for only half that amount. Under the loan agreement, Great Britain will send to China commodities to the value of £10,000,000. No cash transaction will be involved in the agreement.

W. M. Kirkpatrick Appointed Representative in China

William MacColin Kirkpatrick, National Conservative M.P. for Preston, has been appointed representative in China of the Export Credits Department to examine proposals under the new Anglo-Chinese exports credit scheme. He will work in conjunction with Louise Beale, Commercial Counsellor. Mr. Kirkpatrick, was formerly for many years in Delhi as an importer of British textiles. He has been on missions to Japan on behalf of Messrs. M. Samuel & Company, to Hongkong on behalf of the Oriental Telephone Company, to Chile on behalf of London bankers connected with the nitrate industry, and to Athens on finance business.

"The number of proposals we have received for guarantee," declared Frank Horsfall Nixon, Manager of the Export Credits Board in London in an interview Oct. 19, "suggests that home manufacturers are alive to the opportunities in China, but we have been handicapped in assessing credit risks by the rapidity with which conditions in China change."

"Shun Pao" Sees Britain Serving Own Interests by Loan to China

Britain's motive in advancing a loan to China is to look after her own interests, the *Shun Pao* declared Oct. 16 in an editorial dealing with the reported agreement for a credit loan of £10,000,000 concluded between Great Britain and China. "British interests in China have been greatly threatened by a certain country in recent years," says the paper, "and especially by smuggling activities in North China. Big blows have been dealt to British trade in this country. Now Britain is compelled to find ways and means of maintaining her market in China in order to sell her surplus commodities. The utilization by China of foreign capital is not, in itself, either a good or bad thing. Egypt was enslaved by foreign capital, but the Soviet Union prospers by its utilization. The heart of the question lies in the manner in which foreign capital is utilized."

Discussing the report from London that a credit loan is to be arranged between China and Great Britain, the *Ta Kung Pao* commented:—"We welcome the British financial assistance and we would welcome similar financial assistance from other countries . . . We wish to point out to our Government and our people that, first, China needs foreign investments for her economic development. Under the principles of equality and reciprocity, China should welcome foreign capital. Secondly, all foreign investments should be used for productive reconstruction and, thirdly, we should take this foreign financial assistance as a friendly gesture towards China's economic development. It is a mistake to view this gesture as a political move against any particular country."

The *Sin Wen Pao* commented:—"Because of the smuggling in North China and the decline of British imports into this country, the credit loan to China by Great Britain will help the latter's position in the Far East and will keep the door open in this part of the globe. We welcome such economic assistance and hope that far-sighted Japanese will take this into consideration and improve Sino-Japanese relations."

Sun Fo, interviewed in Shanghai, Oct. 17, said that although he had not yet been informed of the details of the Sino-British credit agreement, he believed that such step would further strengthen China's credit abroad.

Currency Stabilization Main Objective, Says Tomita

Funds for the stabilization of her currency "seem to be" the primary objects of China's attempt to secure a huge credit in London, Yutaro Tomita, Japanese financial commissioner in Europe, now in Tokyo, said Oct. 14. "Of course, part of the present credit probably will be utilized to import British manufactured goods, but the main idea is to strengthen China's exchange position, which has been noticeably weak in recent months," the official said.

"The British Loan Is a Fact," Says Shanghai "Mainichi"

"The British loan to China is a fact which can no longer be denied. We must face up to it," the *Shanghai Mainichi* declared. "At first sight," the paper said, "the loan appears to be purely economic in character, since it is to take the form of deliveries of goods. But to view it as such would be erroneous, for there are different varieties of goods and this loan might include military supplies. "The element of time is also important. At present Japan is negotiating with China with a view to adjusting the relations of the two countries. Hence the British loan means support to China to enable the latter to secure more favorable terms. How, then, can the loan be described as non-political?"

The *Tokyo Kokumin* Oct. 12 commented: "As the large-scale international conspiracy of Britain to hinder the Sino-Japanese negotiations by invoking the Nine Power Pact has been unearthed, the Japanese diplomatic authorities are expressing extreme indignation over the violation of international faith based on dogmatic imagination on the part of Britain."

British Chancellor of Exchequer Makes Speech Sympathetic to China

"You will have observed with sympathy and approval the remarkable progress effected in the last few years by the National Government of China in the restoration of order, the settlement of the stability of the financial and economic system of that great country," said Neville Chamberlain, British Chancellor of the Exchequer, speaking at the annual Bankers' dinner in London, Oct. 5. It would be a matter of grave concern to us, he continued, if that progress were interrupted or endangered by differences and estrangements between China and the Great Empire of Japan, with whom at one time we were on such intimate relations and whose friendship we have never ceased to value.

In a press interview in Nagasaki, Oct. 11, Mr. Kuwajima, director of the Bureau of East Asiatic Affairs of the Foreign Office, said that the British and United States representatives in China were extremely active in striving to gather information about the Sino-Japanese negotiations. He did not know whether they were engaged in political maneuvers but the fact that the *London Times* and the *North China Daily News* simultaneously published leading articles sympathetic with China was, he contended, noteworthy, and their views might reflect the attitude of the British Government.

A despatch from Peiping surveying Japan's westerly sphere of influence beyond the Great Wall was the subject of comment Oct. 14 by the London *Times*. It is true that, in the Far East, the journal declared, the good opinion of the West is courted less, because it is valued less, than five years ago. Respectability, however, is a cloak which Japan, isolated and friendless, cannot afford to discard, even when her illicit actions are dictated by motives (primarily of self-defence against Soviet Russia) which may command certain sympathy in Europe.

Considerable attention is being paid to Tokyo circles to the reported respective attitudes of the British, American, French and Soviet Governments toward Japan's policy in China. A Shanghai dispatch to the *Yomiuri* stated that the British and French Ambassadors had stressed their grave concern, in a most frank manner, over the question of the reported Sino-Japanese front against Communism. Sir Hughe Montgomery Knatchbull-Hugessen, the British Ambassador, according to the dispatch, allegedly informed Mr. Kawagoe that "for the maintenance of her vested rights and interests in North China, Britain entertained the deepest concern over the North China issue in the Sino-Japanese negotiations in Nanking."

No American Loans to China Being Considered

Co-incident with the disclosure that British commercial credits were being given to China, the U.S. Department of Commerce revealed in Washington, Oct. 14 that China enjoyed a $14,590,000 favorable balance of trade with the United States during the first eight months of the current year. This favorable trade balance, in addition to receipts from the sale of $50,000,000 in silver to the United States, placed China in a position where she would need no commercial credits in the United States for a long time, monetary experts of the Department of Commerce commented unofficially. China's exports, it was pointed out, have risen rapidly since the stabilization of the yuan, with the tranquility of China's internal situation further improving business. Authorities in Washington asserted that no Chinese credit negotiations were being conducted in Washington at present.

Japanese Government Not Enthusiastic Over S.M.R. Debenture Raising Campaign

The Tokyo *Nichi Nichi* Oct. 10 stated that on account of the swelling expenditures needed for improvement of the railway, increase of capital of the Showa Steel Works, Manchuria Coal Mining, Kochu Koshi, Manchuria Development Company, etc. the South Manchuria Railway finds it necessary to issue debentures amounting to Yen 110,000,000 for the coming year. This intention on the part of the S.M.R. makes it inevitable to fundamentally change the original five-year fund-raising plan for which the recognition of the S.M.R. syndicate banks had been obtained, that is, to raise Yen 270,000,0000 during five years from 1936 by means of debenture issue.

Ken-ichiro Sasaki, managing director of the South Manchuria Railway Company, was in Tokyo this month negotiating with the S. M. R. syndicate banks regarding to the 1937 fund-raising program of the S.M.R. Even if the transfer of the administrative rights in the railway zones to Manchukuo would save an expenditure of Yen 10,000,000 or so, the company is expected to need a considerably huge capital for the coming adjustment of new lines, coal liquefaction enterprise, aluminum industry and expansion of the Showa Steel Works.

The Tokyo *Hochi* says that the Japanese Government is not inclined to play an active role regarding the S.M.R.'s fund-raising plan. Japanese financers have expressed the view that the Japanese Government has rendered as much assistance as possible to the S.M.R. in the company's redemption of foreign bonds and flotation of debentures. Under the present stringent financial condition in which the Tokyo Government finds itself, the Government fails to recognize any necessity for responding to the request for the company's calling in of the unpaid shares or add to the burdens of the National Treasury.

The operations of the S.M.R. were discussed in an editorial entitled "S.M.R. Expands Into North China," published in *The Review* of Oct. 17.

Lord Marley Calls for Anglo-American Bloc Against Japanese

An urgent appeal for a close understanding between the United States and Great Britain to prevent war in the Pacific was voiced in Chicago, Oct. 14, by Lord Marley, deputy speaker of the British House of Lords. Japanese leaders are determined to spread their influence into more Pacific islands, Lord Marley asserted in an address before the Chicago Association of Commerce, since Japanese naval "intellectuals" and industrialists favor that methods of promoting "dreams of a greater empire."

Japan's recent repudiation of the Washington naval ratio, Lord Marley contended, indicates a move toward increased Japanese influence in the Pacific, as does her fortification of mandated islands. Lord Marley pointed out that Japanese activity in the Philippines was now increasing, and predicted that Australia and the Dutch East Indies would be the next victims. The only real bar to further Japanese expansion, Lord Marley said, is the Japanese fear of common action by the United States, Canada and the British Commonwealth.

British Proposal to "Freeze" Pacific Fortifications Not Favorably Received at Washington

Philippines neutrality received new attention at Washington, Oct. 13, from diplomatic observers as a result of the British proposal for "freezing" Pacific fortifications at the status quo. Observers speculated on the possibility that negotiations regarding the naval status of the Pacific Islands might precipitate action under the Philippines Independence Act whereby the United States would consult other Powers towards an international agreement guaranteeing Philippine neutrality. Cordell Hull, Secretary of State, told the press that negotiations with Japan and Great Britain in connection with fortifications had not touched upon neutrality thus far.

The Navy League at Washinton, Oct. 8, took an attitude of pained surprise over Great Britain's suggestion that the *status quo* be maintained in the matter of Pacific fortifications.

"It is difficult to refrain from characterizing Britain's suggestion as definitely unfriendly," said a League statement. "We are at a loss to know whether the suggestion was inspired from abroad or is purely British."

Nathanial M. Hubbard, editor of the Magazine *Seapower* and an official of the Navy League, announced in Washington, Oct. 7, that the Naval League was prepared to publish a program advocating new naval bases in the Pacific for the United States.

"Friends Not Allies," Says U.S. Secretary of State

The corner store of American foreign policy lies in the "willingness to be friends but not allies," Cordell Hull, U.S. Secretary of State, said at a dinner of the Good Neighbor League in the Hotel Commodore in New York, Sept. 15.

Russia's Submarine Fleet at Vladivostok

In printing an *Associated Press* dispatch from Vladivostok stating that Russia is concentrating a new and secret submarine flotilla there, in order to guard against the possibility of attack from Japan, the *Chicago Tribune* Sept. 22 commented that the creation of the Russian submarine fleet at Vladivostok was first revealed authentically to the American public and the world at large, by J. B. Powell, Shanghai correspondent of *The Tribune*. Mr. Powell had obtained the information for his dispatch, which was dated Oct. 18, 1934, while at Vladivostok en route to Moscow on a special assignment.

German Naval Rearmament Proceeds Rapidly

A *Reuter* message from Berlin, Oct. 13, stated that German naval re-armament is proceeding rapidly. The shipyards at Kiel are working night and day. Ships now under construction at Kiel include a 26,000-ton battleship, the sister-ship of the *Scharnhorst*, which was launched at Bremen on August 3, and a 10,000-ton battleship of the *Deutschland* type. It is expected that the 26,000-ton vessel will be ready for launching at the end of November, and it is likely that she will be named the *Gneisenau*.

A request for the revision of the Anglo-German naval agreement is expected to be made soon by Germany as a result of recent Anglo-Russian naval talks.

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Japan Power Firms Actively Oppose State Control

In a move to forestall the threatened state control over the electric power industry, Baron Seinosuke Goh, president of the Japan Chamber of Commerce and Industry and one of Japan's most influential financiers, has proposed the amalgamation of Nippon's five major power concerns. The merger, he declared, will enable the industry to enlarge its production and lower prices. K. Tanomogi, Minister of Communications, chief advocate of the plan for nationalization of the industry, maintains that the prices could not be lowered under private ownership.

In this connection, the Japanese Government plans to convert all foreign loans, totalling 350,000,000 yen, (mostly for purchases of electric machinery in the U. S.) into Government-guaranteed debentures of the new Electric Facilities Company. Meanwhile, the electric power industrialists persist in their opposition to State control.

Japan's Debts Total Yen 10,127,000,000

Japan's national debt on Oct. 1 totalled Yen 10,127,000,000, of which Yen 8,803,000,000 represented domestic indebtedness and Yen 1,324,000,000 foreign loans, the Finance Ministry announced Oct. 19.

Japan's Cotton Cloth Exports Show Drop Compared with Last Year

Japan's exports of cotton cloth so far this year have shown a decline. For the first nine months, her cotton piece-goods exports totalled 1,989,640,000 sq. yds., valued at Yen 348,526,000. Compared with the corresponding period of last year, the quantity shows a decrease of 80,822,000 sq. yds. (3.9 per cent.) and the value Yen 31,075,000 (8.2 per cent.)

Japan's trade with China, Manchukuo, Hongkong and the Kwantung Leased Territory during September resulted in a favorable balance of Yen 40,162,000, with exports totalling Yen 65,061,000 and imports reaching Yen 24,899,000, the Finance Ministry announced in Tokyo Oct. 15.

Japanese Rayon Firms Hit by Italian Rivals

Japanese rayon interests are bitterly complaining that Italian rayon products, aided by the recent devaluation of the lira, are now driving the Nipponese rayon from the Chinese market. While the Japanese traders in Shanghai are quoting $425 per 200 lb., the Italian quotation stands at $410, they asserted.

Kwansai Merchant Buys Wool from Australia via China

The Tokyo *Yomiuri* Oct. 14 stated that while the Japanese Government and people have been moving as one in pursuing the national policy of boycotting Australian wool in retaliation for Australia's restrictions on Japanese textile imports, it has been revealed that recently an "ill-advised merchant" has been importing Australian wool by way of China. This act is considered to be of the same treasonable nature as that of a certain Kwansai merchant who, during the boycott against Indian cotton, imported large quantities of the material from India via Dairen. Much indignation has been aroused over the action, the *Yomiuri* stated.

South Africa to Put Heavy Duty on Japanese Woollens

The Tokyo *Yomiuri* Oct. 10 stated that telegrams from South Africa, indicated that the Government of the Union of South Africa intend to levy a prohibitively high tariff on woollen textiles exported from Japan and Poland at the request of the woollen textiles manufacturers of England. It was also reported that the woollen textile traders of Cape Town are already holding off their purchase of woollen textiles to be delivered in and after February next year.

Japanese official and business circles are showing little interest in the progress of the conversations for a cessation of the Australian-Japanese tariff war, which are now under way in Canberra, a *Domei* survey showed Oct. 17.

Price of Glycerine Goes Up in Japan Because of War in Spain

With gun-powder a product of daily use in Spain, the Japanese producers of glycerine Oct. 16 raised their prices by Yen 0.15 to Yen 1.69 per kilogran, setting a new record.

Master of Soviet Ship Fined in Formosa

Captain Danilov of the Soviet freighter *Terek* was fined Yen 1,500 at Taihoku, Oct. 16 by the local court for an illegal attempt to enter the Mako naval port, in the Pescadores, on Aug. 16.

Kyushu University Head Quits Over Operating Room Brawl

In a sensational sequel to an attack upon a surgeon by his colleagues while he was performing a major operation on a woman-patient, Dr. Masao Takayama, President of the Kyushu Imperial University in Fukuoka, resigned from his post last week.

Tokyo Denies Pact with Reich

The Japanese Government this week issued a categorical denial of a report circulated by the French *Havas* News Agency alleging that a secret agreement has recently been concluded between Japan and the Reich. The existence of the pact, the French report asserted, prompted Germany to express its opposition to the draft Anglo-Soviet naval agreement.

Retired Army Officer Boosts Fascist Movement in Japan

Keen interest is being aroused in political circles in Japan with the announcement by Col. Kingoro Hashimoto, a retired army officer and an extreme nationalist, that a new political party, with strong fascist leanings, has been formed with himself as its leader. The new party is called the Great Japanese Youth Party. In a manifesto, Oct 16, the Party advocated the taking by Japan of "long jumps" in spiritual, diplomatic, economic, military and political fields.

Captain Kills Himself as Aftermath of Mutiny

Domei states that because of the burden of suspicion of having participated in the mutiny of Feb. 26 hanging heavy upon his shoulders, Captain Wataru Tanaka, of the Army General Staff, Oct. 18 shot himself dead with his revolver. Lying close to his body was a ten-word message: "Banzai for the Imperial Army! I am sorry! Thank You!" In a special communique the War Office said that there was no doubt that Capt. Watari committed suicide because "he wished to assume responsibility for having taken part in the uprising."

Half of Japanese Youth of Age Unfit to Serve in Army

The Tokyo *Asahi* Oct. 11 stated that the physique of Japanese youth of conscription age and the physical condition of students are declining year after year—a fact which is worrying the Army and other circles. Investigations show that about one-half of the youth of the Island Empire are unfit for military service.

Japanese Grand Naval Maneuvers Viewed by Emperor

Only ten days after his return from the annual grand military games in the Hokkaido, Emperor Hirohito on Oct. 20 went aboard the battle-cruiser *Hiyei* for an undisclosed destination to supervise the grand naval maneuvers.

Japan Reports on Mandated Islands

Japan is scrupulously observing that provisions of the League Mandate forbidding the use of the South Pacific mandated islands for military purposes, it was stated in the Japanese Government's annual report to the League of Nations issued in Geneva Oct. 19.

Government Attacked for "Weak-Kneed" China Policy

Bitter attacks upon the "weak-kneed" China policy of the Government in general and the Gaimusho in particular were launched Oct. 15 by the metropolitan press and the major political parties. The *Miyako*, a popular daily, declared that the Foreign Office is forfeiting general sympathy and support because of its "weak-kneed and procrastinating" policy towards China.

Huge Japanese Hydroplane Missing in Games

A huge hydroplane, manned by a crew of seven, commanded by Chief Warrant Officer Taketsugu Miura, disappeared Oct. 18 following a squall, while on the way from Oshima, south of Tokyo, to Hahichijojima Island.

Japanese Scour World for Iron Ore to Meet Increasing Industrial Demand

The question of finding sources of iron Ore supply for Japan's fast expanding industries in which the demand has jumped from 2,000,000 tons for 1933 to 4,000,000 for 1935, is engaging the serious attention of Japanese industrialists. Various cast-iron foundries have been forced at times to suspend their work due to the difficulty of obtaining materials. The result is that the world is being searched for ore supplies.

The Japan Iron Manufacturing Company, as a measure to cope with the situation, some time ago signed a contract for an additional import of 75,000 tons of Soviet pig iron, to be imported within this year. But as this additional supply was found unable to fill the demand, the company negotiated for another supply of 300,000 tons by March next year. But because a metric ton of pig iron in Europe was quoted at Yen 67 or thereabouts, the Soviet side refused (according to be *Tokyo Asahi*) to comply with the request of Japan Iron to sell pig iron at the price offered.

Recently, the Soviet side came to offer some compromise and it has been generally decided that the Soviets consent to send to Japan 65,000 metric tons within this year. The price of the new deal is not known as yet, but judging from the circumstances in which the negotiations were held it is more than likely that Japan Iron has agreed to a compromise.

The *Tokyo Hochi* says the Japan Iron Manufacturing Co. plans huge additional works at Amagasaki, Sakai and in the neighborhood of the River Ishikari, for the production of pig iron.

Student Organizations in Peiping Banned

The headquarters of the Pacification Commissioner of Hopei and Chahar has addressed a circular letter to the authorities of the various government and private universities and middle schools in Peiping, instructing them to suppress all student organizations irrespective of their high sounding titles. Among the student associations singled out by the letter for special attention by the school authorities are student self-government bodies, pickets and propaganda corps, ten-people groups, national salvation associations, study groups, literary societies, lecture groups, round-table conferences and moral endeavor associations. The letter says that the school authorities should advise the headquarters of the Pacification Commissioner of Hopei and Chahar if any student group shows any sign of defiance of the order.

200 "Leftist" Students Expelled from Shan hai Universities

In accordance with instructions issued by the central authorities, the Shanghai Bureau of Social Affairs has undertaken the task of purging the Shanghai universities of students with "leftist" views. Since the beginning of the current term, some 200 students have been expelled from Fuh Tan, Chinan and other local universities. The *Shanghai Nippo* and other Japanese newspapers in Shanghai stated Oct. 16 that with a view to directing the energies of the students into channels favorable to the government, the Military Affairs Commission has decided to put all students through military training courses, beginning from the middle of November.

Peiping Students Perturbed Because of Rumors That Tutors With Advanced Views Are to Be Discharged

Disturbed by persistent reports that a number of well-known university professors shortly will be discharged, because of their advanced views on national and foreign affairs, the student union of Chung Kuo Hsueh Yuan, or China College, in Peiping Oct. 9 sent a telegram to the Ministry of Education, inquiring whether these reports are true.

More Funds Pledged for Szechwan University

Central News Oct. 17, stated that as a step to elevate the cultural and educational level in West China, a sum of $1,200,000 to be equally borne by the central authorities and the Szechwan Provincial Government will be used for the improvement of the National Szechwan University at Chengtu.

Chiang Urges Students to Strive for Lofty Ideals

A message from General Chiang Kai-sheh, read by Dr. Wong Wen-hao, Secretary-General of the Executive Yuan, during the opening exercise of the training class for college students at Nanking Oct. 15 stated that there should be one common lofty ideal for the Chinese youth today, that is, the creation of a better and stronger nation for the coming generation to live in.

Eighteen Students Receive Scholarships for Study in the U.S.

Eighteen students won the privilege of a three-year scholarship in the United States as the result of their success in the fourth annual fellowship examination held by Tsing Hua University last August. The results of the examination were announced by the University Oct. 12. Of the 18 successful candidates eight are graduates of Tsing Hua, four from the Chiaotung University in Shanghai, two each from the University of Nanking and the Peiping Union Medical College and one each from the National University of Peking and Chekiang University. According to the regulations governing the scholarships, the candidates are required to take up practical work in China for a year before leaving for America next August.

Nankai University Observes 32nd Anniversary of Founding

The 32nd anniversary of the founding of the Nankai University was commemorated in Tientsin, Oct. 17, at a meeting which was attended by over 2,000 students, faculty members and guests. Among the guests were Gen. Chang Chih-chung, Mayor of Tientsin and Tsai Ju-lin, member of the Hopei-Chahar Political Council. Dr. Chang Po-ling, president of the University, recounted the history of the institution, following which Mayor Chang delivered the main speech. Following the meeting a bronze statue of the late Yen Feng-shu, founder of the University, was unveiled.

Shanghai's Foreign Trade Registers Improvement for Nine Months

China's foreign trade through the port of Shanghai showed considerable improvement during the first nine months of the year, according to statistics released by the Customs House here. The total value of imports for the period, according to the figures, amounted to $411,686,710, registering an increase of $9,813,132 as compared with those for the corresponding period last year. The total value of exports reached $264,649,006 as compared with $192,104,506 for the same period last year, the increase this year being $72,544,500.

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Chinese Dentistry Lags Behind Development in Other Branches of Medicine

BY DOROTHY DAVIS

CHINESE medicine early developed a definite technique, but the same cannot be said of dentistry. Even records regarding care of the teeth are exceedingly scarce, and go back no further than eight hundred years. However, such primitive methods as exist today, and which show no influence whatever of Western methods, must have been known much longer than the records indicate. What little the Chinese did for the teeth cannot properly be termed dentistry. Unlike other ancient civilizations China never developed any means of restoring or repairing the teeth. Absolutely nothing has been found to indicate that the Chinese ever attempted to make bridges or crowns, and the primitive dental care existing today would suggest that such a development never took place.

As the mouth and teeth were parts of the body and thus came within the province of Chinese medicine, all diseases and pain were diagnosed as due to the unbalance of body heat on the basis of the "Yin-Yang" principle. Thus treatment was largely confined to prescribing internal doses of drugs designed to combat chills or fever. In this connection, it is interesting to note that the women of Ningpo are reported to have possessed a particularly efficacious drug for toothache.

The phenomenon of tooth decay was attributed to the gnawing of microscopic worms, because as they could be seen developing in decaying food, it was logical to assume that they also caused tooth decay. Out of this theory grew the still universal Chinese custom of rinsing out the food debris left in the mouth after meals. It is interesting to speculate on what might have occurred if this line of thought had been carried through to the discovery of actual bacteria.

The presumption that worms caused decay gave rise to a group of quacks, who by a neat sleight-of-hand and for an agreed fee removed the offending worm or worms from the tooth and presented them to the client. The "worm" was either the nerve of the tooth or an insect introduced into the mouth. The toothache was then temporarily relieved by a cap of lime cement, or perhaps the power of suggestion was sufficient to effect a cure. These "worm removers" still do a flourishing business, and can be found in practically every part of China today.

Nearly every visitor to a Chinese city has had pointed out to him the sidewalk dentist, the badge of whose calling is his showcase or necklaces of teeth, supposedly attesting his skill as their extractor. Only those teeth which through chronic or acute inflamation have become loosened receive his attention, and he is found most frequently in the busy market-place in company with fortune-tellers, herbalists, etc. This group is gradually being replaced by those who have added to their equipment one or more pairs of Western-style forceps, and who may rub the tooth with some type of anaesthetic, usually cocaine. In the same category are the itinerant "tooth-cleaners" and "tooth removers." The former have a quite effective method of cleaning the teeth, but the cleaning mixture contains an acid which dissolves the outer enamel and leaves the teeth more exposed than ever to disease.

Another group, whose members are ordinarily housed in rooms with windows on the street, offer to restore the teeth either partially or completely, to cover with a cap of gold, brass or silver more or less decayed teeth, or to cater to the human desire for adornment by capping perfectly good teeth. Some of the names they pick for their shops are amusing, such as: "the beautifying dental hall," "the health and happiness dental hall," "a strong body through dental treatment hospital." To practice they require no formal education or license; self-instruction or a short apprenticeship is all that is necessary.

With the growing influence of Western civilization, in the larger and more up-to-date cities there has developed a constantly increasing group of men who have served as laboratory assistants to foreign and foreign-educated Chinese dentists. They offer a little better grade of practice, but through their lack of proper knowledge they are at times a menace to public welfare. However, they have a large clientele who believe that they receive somethieg just as good for less money. As Barnum said, "There's anothnr sucker born every minute."

Properly qualified dentists, who have been educated in dental schools in America or Europe, are pityfully small in number. For example, according to one report, not necessarily authentic, there are in Shanghai 181 foreign and Chinese dentists. Of the Chinese 82 are apprenticed-trained and cannot be considered on a par with European and American-educated dentists. Some of the 99 remaining have very dubious claims to the name, "dentist." At least half of the qualified in China are to be found in Shanghai. These men confine their practice largely to well-to-do patients, and have done little or nothing for the advancement of dental practice in China, neither have they contributed to dental educational advancement. With only a few exceptions both Chinese and foreigners have been interested solely in making money.

But there are exceptions. In 1906 Dr. Machle established small medical and dental classes at Lienchow, Chekiang Province, which lasted about a year. In 1917 Hopkins Memorial Hospital, at Peiping aided by the China Medical Board established a dental department and conducted a dental training school in connection with it which graduated about a dozen men before passing out of existence. An attempt was made in Shanghai to conduct a Dental College, but the school existed for only three years, graduated less than 20 men and was closed because of disention and lack of funds. The sum of $1,000,000 has recently been appropriated by the Government for a dental school at National Central University in Nanking. Half of this sum is for construction and equipment and the other half for endowment. This purely Chinese institute, the first of its kind started and financed by the Government is still in the formative state. The most successful and only dental college with standards comparable to American and European schools is the College of Medicine and Dentistry of West China Union University at Chengtu. The department of dentistry, originally organized in 1918, was re-established in 1927 as a full-fledged dental college. When General and Madame Chiang Kai-shek paid their last visit to Szechuen Province, the Generalissmo, himself long a sufferer from dental troubles, was particularly impressed with the work being done at Chengtu, and it was through his efforts that the Government was enduced to appropriate money for the new dental school at Nanking.

The appropriation for the school at Nanking is the first evidence that the Government is intending to take an interest in the future of dentistry in China. Until a few years ago, neither Federal nor Provincial governments paid any attention to dental education, either for future dentists or dental hygiene for the people. The reasons for this neglect are easily understood. Both provincial and Federal governments were busy consolidating their positions or fighting among themselves and had no time to trouble themselves over the growing victimization of the public by quacks; Chinese modern medicine, interested in its own welfare, could not bother with the dental profession, small numbers and widely separated locations prevented qualified dental practitioners from forming an organization sufficiently strong to attract public attention.

The uncertain legal status of the dentist qualified by American and European standards also hampered any organization. Under present Chinese law the legal position of the qualified practitioner is the same as that of the apprenticed-trained. Any attempts to established an organization having international status split up on this point. The fully qualified did not wish to admit to full standing in the association those whom they considered destroyed the standards of the profession, and the Government refused to recognize any organization without them. This situation still exists, and a recent attempt to found a Chinese dental association failed, although there are indications that the spirit of compromise is abroad and that assistance will be rendered the apprenticed-trained to enable them to become fully qualified.

On the whole the teeth of the rural Chinese are good in structure, form and arrangement and have a high degree of immunity to decay. The same does not apply to the urban population, who are already showing the effects of changed food habits and the nerve strain attendant upon a highly mechanized life. As the rural population becomes urbanized and as numbers of underpar children survive, this immunity will be destroyed. Pyorrhea is especially prevalent in China on account of the grain and vegetable diet, so that loss of teeth occurs at about the same time as it does in other countries.

In considering the future, China must pay attention to other factors. The X-Ray revolutionized dentistry. Dentistry, before its discovery, had been carried on without reference to the rest of the body, and it was assumed, unconsciously in most cases, that the teeth were somehow apart from the body. Increasingly, functional disturbances are being traced to the teeth, and it would be a misfortune to China if she allowed her dentists to be trained without reference to the proper interrelationship between dentistry and medicine, especially since in other parts of the world such a reorientation is now taking place.

The future of dentistry in China must be of increasing interest. Because of extremely low standards of living, a competitive system, such as prevails in America, cannot provide anything like adequate dental service to the people. According to one source even in America it is estimated only 20% of the people can avail themselves of a dentist's services. If this can be possible, it is obvious such a system would be completely unsuitable for China, and that nothing less than socialized dentistry can successfully handle the needs of the population. There have been indications that the National Government is considering organization of the health services as a public responsibility. One plan advanced, covering dental care, education and necessary equipment, has estimated the cost to be $1.00 per year for each patient, figured on the basis of one dental unit consisting of a fully-trained personnel for each 100,000 of population.

China's position is an enviable one—she can avoid the mistakes made by other nations, and she can obtain for herself the best in dental care and dental education, both for her people as a whole and for those who will serve their needs.

St. Louis "Post-Dispatch" Supports Landon for Presidency

The St. Louis *Post-Dispatch*, which ardently supported Mr. Roosevelt for the presidency four years ago, announced Sept. 25 that it could not support him for re-election. "In the simplest possible term," this newspaper, which has supported Democratic candidates in the last five presidential campaigns stated, "the overshadowing issue in the coming national election in whether or not we shall set up in America, in defiance of the American tradition and in defiance of the plain intent of the Constitution as it now stands, a government with vast and centralized authority over the economic life of the nation." As an independent newspaper the *Post-Dispatch* holds itself free to criticize the views and acts of Governor Landon, "both as a candidate and as President if he should be elected." While opposing the re-election of Mr. Roosevelt, the newspaper gives full credit for the courage he displayed "in the dark days of March, 1933, and for high minded and patriotic endeavor to improve the lot of common man." In advocating defeat of Mr. Roosevelt the *Post-Dispatch* stated it did not shut its eyes to the evils of the old guardism repudiated by the voters in 1932. "We believe profoundly," continued the *Post-Dispatch* "that the welfare of the country would be best served by the defeat of Roosevelt. Manifestly, the most useful weapon for all who so believe is a vote for his leading opponenet, Governmor Landon."

Duponts Finance Landon for Presidency

The election campaign of Al Landon, Republican nominee for the presidency, is being financed to a considerable extent by members and business associates of the famous Du Pont family, who have already contributed $383,000 to the Republican Fund, according to a report made public in New York Oct. 16 by Senator F. Duffey, from Pennsylvania.

It is estimated that the combined cost to both parties of this year's Presidential election will be between $20,000,000 and $25,000,000, of which the Republicans are outlaying the most.

Following a luncheon at the home of Brig.-Gen. Charles F. Humphrey, commander of Fort Warren, President Roosevelt delivered an extemporaneous address to a large crowd which gathered on the parade grounds in Cheyenne, Wyo., Oct. 11. "We have a fine Army," the President told his listeners, "but a small one. It is being trained in the interests of peace and we are making strides ahead in the sense that we are setting an example in the way of peace."

Ex-President Hoover is actively campaigning against Roosevelt. Henry Ford Oct. 14 announced that he favors Landon.

U. S. Department of Commerce Praises Chinese Unification

The Department of Commerce Survey of world business, publisher in Washington, Oct. 18, commented that China's "internal and administrative condition made favorable progress during September in the achievement of national unity."

U. S. Dollar to Be Keystone of New International Stabilization System

The American dollar, backed by the $10,985,000,000 gold reserve of the United States, is to be the keystone of the new stabilizing system for Britain, France and America, the U. S. Treasury disclosed in Washington, Oct. 15. The selling price of gold will be announced only by the United States, both Britain and France keeping their prices secret. When the United States buys gold from Britain or France, the price will be reached by private agreement.

The United States Silver Agreement continues to function regularly, unaffected directly by the Sino-British credit negotiations or Tri-Power stabilization, Henry Morgenthau, jr., U. S. Secretary of Treasury, stated in Washington, Oct. 15, in response to press inquiries. Even if the Sino-British negotiations involved the United States in any way, the silver purchases from China would continue without interruption and no now negotiations with China on that subject would be sought, Mr. Morgenthau said. Purchases of silver from Canada, Mexico and occasionally London are continuing regularly also, he said. Fulfillment of the Cuban coinage contract indicated that the stabilization agreement did not involve silver or China. Mr. Morgenthau said that all contracts and negotiations have been made public.

Dr. John Dewey Predicts Violence in the United States

Dr. John Dewey, Columbia University professor and America's most eminent philosopher, in an interview in Cambridge, Mass. Oct. 7 predicted "some kind of violence" if America persisted in its present "socially unscientific" trend. "After a swing to something like Fascism, there will be a tightening up," he said, "then a swing back. We'll be in a bad way, with some kind of violence in time. I think Democratic institutions give the best chance, but they don't go far enough." Dr. Dewey was in China at the time of the Versailles Peace Conference (1919) delivering lectures before various educational institutions.

Childhood Headaches

In the vast majority of cases headache in a child simply indicates a temporary derangement of the stomach or bowels, for which condition all that is necessary to set matters right is a little dose of Baby's Own Tablets.

The first action of these pleasant little tablets is gently laxative; then they sweeten the stomach, check diarrhoea if present, allay teething pains, ease croup or cold, and thus relieved and comforted the ailing little one speedily drops off into natural restful slumber, from which it awakens well, happy and hungry. There is nothing better to dispel worms in the very young. Chemists everywhere sell.

Baby's Own Tablets.

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Japanese Economic Advance in North China Continues

Japanese economic operations have made a marked advance in North China recently, particularly in the cotton spinning business, according to reports received in Tokyo, *Reuter* reports. Out of the six spinning companies hitherto operated by Chinese interests in Tientsin and vicinity four have been bought by Japanese spinners. In addition, several Japanese spinning companies have recently set up mills in Tientsin. Japanese installations now total 240,000 spindles with 180,000 spindles under way and 110,000 planned for the near future, to bring the total Japanese cotton spindles in Tientsin up to 530,000. There are 10,000 Japanese looms in Tientsin. A remarkable expansion is also being made by Japanese spinners in Tsingtao where it is expected that the number of Japanese spindles will reach 600,000 by early 1937. The number of looms under Japanese operation is 8,800, but is expected to be nearly 22,000 in the early part of next year. Further, Japanese interests are reported to be negotiating to buy up a Chinese spinning company equipped with 30,000 spindles in Tsinan.

The Tokyo *Asahi* Oct. 7 stated that the Hopei-Chahar Political Council has determined to carry out whole-phase economic co-operation in North China between Japan and China. Recognizing the North China special area in connection with the latest shift of the Sino-Japanese situation, the Japanese side, as represented by the Kwantung Army and South Manchuria Railway, has decided on the fundamental policy of letting the Kochu Koshi (North China Development Company), Japan's economic organ in China, co-operate with the Hopei-Chahar group in undertaking various enterprises.

Manchuria and North China Make Agreement for Air Transport

A *Reuter* message from Peiping, Oct. 17 stated that the first fruits of Sino-Japanese economic co-operation in North China materialised on that date, when an agreement in principle was reached for through air traffic between Manchuria and North China. The agreement, according to a communique issued by the Hopei and Chahar Political Council, is on lines laid down by Wang Keh-min when he was chairman of the Council, but these lines have never been published. The air arrangement will be similar to the railway through traffic arrangement. A special company called the Hui Tung Company is being organized to handle the air traffic. The Company will have a Chinese President and a Japanese Vice-President and will be organised on the lines of the China National Aviation Corporation.

Plan for Economic Co-Operation in North China Drawn Up

A plan for economic co-operation between China and Japan in North China has been drafted by Li Shih-hao, the new Chairman of the Hopei and Chahar Political Council's Economic Committee.

Tokyo Officials Explore Coal Resources of North China

Two high officials of the Japanese Ministry of Commerce and Industry are making a 40-day tour of North China, in the course of which they will chart the coal resources of the region. Simultaneously, a mining expert of the Ministry, Shigetsugu Tago, is touring Korea and Manchukuo to investigate their iron resources.

Agreement Reached to Reopen Lungyen Coal Mine

After repeated exchange of views between the various quarters concerned, an agreement is said to have been reached for the reopening of the Lungyen coal mine. Li Shih-hao, newly appoined chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council, discussed the arrangements with Lieut.-Gen. Tashiro, Commander of the Japanese garrison forces in North China at Tientsin this week.

Lungyen Iron Mines in North to Be Exploited by Japanese

Comprehensive plans have been made regarding the exploitation of the iron mines in Lungyen, and are now under the consideration by the Hopei and Chahar Political Council. According to the plans, a joint Sino-Japanese capital amounting to $5,000,000 will be used for the exploitation, while all machinery required for the exploitation will be supplied by the Japanese.

British-Owned Kailan Mining Administration to Be Sold to Japanese

Considerable attention has been aroused by the report that the authorities of the Kailan Mining Administration are now again preparing to sell the concern to the Japanese, the *Shih Shih Hsin Pao* Oct. 14 stated. The intention of the Kailan authorities is due to the keen competition put up by the Japanese merchants, who have recently further reduced the price for Japanese coal.

Hopei-Chahar "Inner Council" Plan Discussed

Sitting at Peiping in its fifteenth plenary session, the Hopei and Chahar Political Council Oct. 16 discussed the appointment of three new members and the creation of an "Inner Council," flanked by four advisors. The new appointees are: Li Ssu-kou, who Oct. 15 assumed the duties of chairman of the economic commission of the Council; Gen. Chi Hsieh-yuan, a former military leader, and Prof. Chang Shih-chao, former Minister of Justice and of Education in Peiping. *Domei* states that a triumvirate, consisting of Gen. Chin Teh-chun, mayor of Peiping; Gen. Chia Te-yao, one-time premier, and of Gen. Chi Hsieh-yuan, will be set up informally to assist Gen. Sung Cheh-yuan, the chairman, in his administrative duties.

East Hopei Bank to Be Opened in November

The East Hopei Bank, which is the official bank of the East Hopei regime, will open at the beginning of November, with a capital of $5,000,000. The central office will be established in Tungchow, capital of the bogus regime.

Yaohua Glass Factory to Go to Japanese

Recent advices from Tientsin, indicated that the Yaohua Glass Factory, a Chinese concern in Chinwangtao, will probably be sold to Japanese interests on account of financial difficulties.

Hua Sin Spinning Factory Sold to Japanese

According to Chinese information, it is reported that the Hua Sin Spinning Factory was recently sold to a Japanese merchant at a cost of $2,000,000. The Chinese staff and workers in that factory will continue to be employed during this year.

The Tokyo *Hochi* Oct. 11 stated that more Japanese capital is needed in North China as the Sino-Japanese economic co-operation makes progress. The spinning industry in North China is about to be extended to the level of 1,000,000 spindles.

Revision of Japan's Four Demands

A Tientsin message in the *Shun Pao* Oct. 15 stated that according to reliable sources, Japan's four demands to China will be revised in view of the fact that the Japanese military authorities are not insisting upon their retention.

The first demand, regarding the creation of a special area in North China, will be decided by the Chinese military leaders in North China and the Japanese authorities are not expected to press their point of view.

Regarding the second demand, which deals with Sino-Japanese economic co-operation, gradual steps will be taken first in North China.

As to the third and fourth demands (suppression of anti-Japanese movement, etc., and right to station troops along the Yangtsze river ports) Japan reserves the right to bring them up again in principle and they will be withdrawn only if other conditions can be arranged.

Colonel Washi, "Doihara the Second," Visits Shanghai

Colonel Washi, a member of the staff of the Japanese Garrison in Tientsin, arrived in Shanghai Oct. 14. The *Shanghai Mainichi* Oct. 14 stated that the Colonel is known as the "second Doihara" and is an experienced intriguer. According to him, the Tientsin Garrison and the Kwantung Army are enraged by the procrastination in the Sino-Japanese negotiations at Nanking. During his stay in Shanghai the Colonel reported to Major-Gen. Seiichi Kita, military attache to the Japanese Embassy, on the situation in North China and also on the views of Lieut.-Gen. Kanichiro Tashiro, Garrison Commander, on the current developments.

Chinese Alarmed by North China Situation

Discussing the fourth interview between Gen. Chang Chun, Minister of Foreign Affairs, and Mr. Kawagoe, Japanese Ambassador to China in Nanking, the China *Evening News* commented: "The center of gravity of the Sino-Japanese negotiations remains in North China. What is happening in North China? Gen. Shih Yu-san, who was ordered to be arrested because of his activities against the Government, is now appointed to a high military post by the Hopei-Chahar Political Council. Li Shih-hao, who was one of the Anfu Clique responsible for the Nishihara Loan, has become chairman of the Economic Committee of the Hopei-Chahar Political Council. Chi Chien-yuan, one of the former Peiyang militarists, has become an important figure in North China politics."

Secret Telegrams Disclose Nanking's Readiness for War

A Nanking message dated Oct. 19 in the *Shanghai Nichi Nichi* quoted "reliable information," as authority that a secret telegram has been sent by the National Government to Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, the contents of which are believed to indicate Nanking's readiness to conduct a defensive war against Japan. Gen. Sung Cheh-yuan has been informed, it is understood, that an agreement has been concluded to ensure cooperation between China and Great Britain, while, at the same time, Nanking has completed its plans of military preparedness. In view of this, Gen. Sung is advised to take a stronger attitude towards the Japanese in North China.

500 Japanese Marines Arrive in Shanghai

Five hundred Japanese marines, newly arrived from Japan, marched through the streets of Hongkew Oct. 13.

A sham street battle was staged by Japanese marines on North Szechwan Road Oct. 13 while about 20 Japanese armed cars and motor cycles patrolled through the main streets in Hongkew.

Tientsin Said to Be Britain's Front Line in China

The *Shanghai Mainichi*, Oct. 16, noting that an important speech was delivered by the British chairman of the Sino-British Association in Tientsin on Sept. 29 at a reception given by the association in honor of the British Ambassador to China, Sir Hughe Montgomery Knatchbull-Hugessen, quoted the chairman as declaring that Sino-Japanese relations are in a condition comparable to that which existed when Japan presented her 21 demands to China. Japan, he said, aims to dominate North China, but it was to be hoped that the new ambassador would defend British interests in Tientsin, which was regarded as Britain's last line of defense in China. "We hope Britain will hold firmly to her traditional attitude and defend her interests here, interests which represent the conquests of the past 70 years," he is reported to have said.

Japanese Power Firms Decide to Invest in Tientsin Firm

Five major Japanese power companies will jointly invest Yen 2,000,0000 in the recently organized Tientsin Electricity Co., taking over 40,000 shares in the new concern and advancing Yen 1,000,000 to the municipality of Tientsin. A decision to this effect was reached as the presidents of the Tokyo, Uji, Toho, Japan and Daido Power companies acted on the recommendations of a party of investigators sent to North China last month. The Japanese consortium will acquire 40,000 of the 80,000 half paid-up shares held by the Hsing Chung Kungssu and in addition advance Yen 1,000,000 to the municipality, taking over half of the sum already lent to the latter by the S.M.R. subsidiary. All five companies will contribute Yen 400,000 each to the consortium.

Shanghai and Peiping Manifestoes Urge Dispatch of Troop to East Suiyuan

A circular telegram, signed by 25 university professors and industrialists in Shanghai, was despatched Oct. 19 to the Central Government in Nanking, to provincial government and military authorities, and to diplomatic representatives, urging that a strong stand be taken by the government against Japan. The telegram, of which the leading signatory is Wang Pai-sen, principal of the Nanyang Middle School, is along the same lines as a manifesto issued a week previously by professors and educationists in Peiping. The Peiping manifesto reviewed the situation in China, declared the crisis worse than ever before in Chinese history, and proposed a set of demands which the Government should insist upon before carrying on negotiations with the Japanese.

The demands envisaged in the Peiping and Shanghai manifestoes were as follows:

The Government should concentrate the entire strength of the country in its negotiations with Japan in accordance with the principle of non-impairment of territorial and administrative integrity; Sino-Japanese negotiations should be conducted openly and the Government should publish from time to time the proceedings of the negotiations; we oppose any form of Japanese interference in Chinese internal affairs and all illegal Japanese military activities and the establishment of any special service organ; we oppose the formation of any special administrative organ within the Chinese territory under alien influence and under whatever name; we fundamentally oppose the Japanese claim to special position in North China; we oppose the development of North China through utilization of foreign aid, thereby encroaching upon and disposing of our national resources; the Government should take armed measures to suppress smuggling; the Government should immediately dispatch troops to east Suiyuan to re-inforce the local garrison and suppress the alien-instigated and supported local bandits.

Frazar's Sell 120 Dodge Motor Trucks to Hopei-Chahar Political Council

The Tientsin *North China Star* recently stated that one hundred and twenty 1936 Model Dodge trucks are ready for delivery to the Hopei-Chahar Political Council by the Tientsin office of Frazar, Federal Inc., U.S.A. The order for the supply of the trucks was placed with the company by General Men Chih-chung, head of the Construction Bureau for Hopei and Chahar, several months ago, with the approval of the Council. The Dodge chasses have been imported direct from the factory in Detroit, Michigan, and suitable bodies are being built in Tientsin. The total cost of this order is in the neighborhood of $400,000 local currency.

In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
HELEN MAUD SITTIG,
Deceased.

Cause No. 4128
Special Proceedings
No. 2007
NOTICE
Filed at Shanghai, China,
October 12, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HELEN MAUD SITTIG, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. W. D. Boone,
504 Loh Ka Pang,
Shanghai, China.

Shanghai, China.

In the United States Court for China

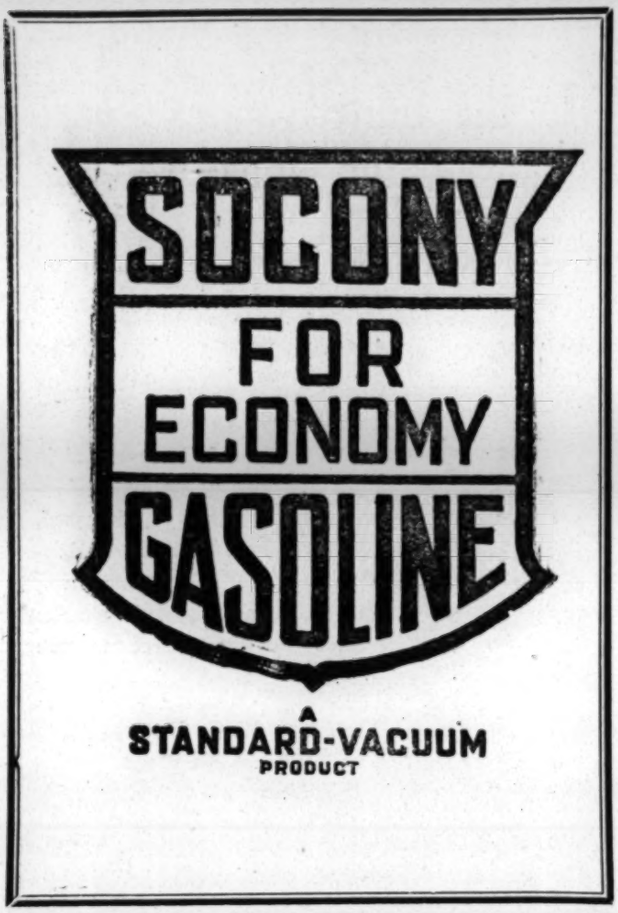
IN THE MATTER
OF THE
CHANGE OF NAME OF
JOHN HAHALYAK.

Cause No. 4129
Special Proceedings
No. 2008
NOTICE
Filed at Shanghai, China,
October 12, 1936.
William T. Collins, Clerk

Notice is hereby given that JOHN HAHALYAK an American citizen residing in China, has filed his Petition in this Court praying for authority to change his name to JOHN HALLICK.

Any person interested may, on or before October 31, 1936, offer and show to said Court why the said petition should not be granted.

William T. Collins,
Clerk.



In the United States Court for China

In re.
the Estate
of
BETTY SHENGLE,
Deceased.

Cause No. 4126
Special Proceedings
No. 2005
NOTICE
Filed at Shanghai, China,
October 9, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of BETTY SHENGLE, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Lelia Manlove,
c/o Allman, Davies & Kops,
Hamilton House,
Shanghai, China.

Shanghai, China.

King Edward's Infatuation for American Woman Shocks British Society and Clergy

The *Washington Post* Oct. 16 reported that King Edward of England plans to marry Mrs. Ernest Simpson, his intimate vacation companion during a recent cruise in the Mediterranean, regardless of consequences. The report asserted that the King approved, and possibly had even suggested Mrs. Simpson's present suit for divorce from her Canadian-born London stockbroker husband.

The Archbishops of Canterbury and York recently requested to be allowed to decline an invitation to attend royal functions in London at which Mrs. Simpson was present. The two Archbishops personally interviewed the King. it was said, and told him that Mrs. Simpson was the reason for their refusal to attend a particular function. Edward Baldwin, close friend of the King while he was Prince of Wales, was also reported to be avoiding royal functions and the company of the King since a recent private dinner at York House which Mrs. Simpson attended. Mrs. Simpson was reported in London Oct. 16 to have stated that she did not enjoy her vacation cruise to Balmoral with the King during the past summer because of the "cold shoulder" attitude shown toward her by royal guests.

Mrs. Simpson spent considerable time on the China coast when her first husband, Lt. Earl Winfield Spencer, Jr., was commander of the *Pampanga* stationed at Canton and Hongkong. She was accompanied by her mother, Mrs. Wallis Warfield of Baltimore. Her father was a railway magnate. Lt. and Mrs. Spencer were in China prior to 1924, in which year he was relieved by Commander Leland P. Lovette, now executive officer on the *Augusta*. Mrs. Spencer was divorced from the Lieutenant in 1926 upon their return home. Reports that she met the Prince of Wales in Hongkong apparently are not correct as the Prince was in Hongkong and Manila somewhat earlier, or in 1922.

After her divorce from the lieutenant, the then Mrs. Spencer met in London Ernest Simpson, a Canadian-born Briton, who had been educated at Harvard. Simpson had served with the Guards during the World War, and was in the shipping business in London's "City." They were later married. Through mutual friends she met the then Prince of Wales, who immediately showed a preference for her as a dancing partner. In the intervening years the Prince and Mrs. Simpson were often seen together at the theater, in night clubs, and during vacation trips to Biarritz, on the Riviera or to Kitzbuehl in the Austrian Tyrol, and in the recent yachting cruise on the Mediterranean.

British residents in Shanghai are being poorly served by their newspapers. *Reuters* has not carried any news of the story, which is a major sensation in London and U. S. A. Reports from the U. S. indicated that the *United Press* has featured the story, but if its story was cabled to Shanghai its only English-language client here (the *North China Daily News*) did not print a word of it.

Science Institute for Children Established at Nanking

Convinced that China's foundation of science must be built upon the younger set, the Nanking Association for the Promotion of the New Life Movement and the Nanking Women Association have jointly inaugurated a Science Institute for Children on its temporary premises in the First Park. The purpose of the Institute, which is the first of of its kind ever established in China, is three-fold: to arouse the interest of children in science, to train them in scientific habits and to provide a place where they may study science. Funds are being raised for the construction of a new building befitting the purpose of the Institute.

How Much Do You Need To Be Happy?

A recently retired chief Registrar of the London Bankruptcy Court says that "the maximum income a person needs to find contentment is £5000 a year. When it passes that figure unhappiness frequently begins!"

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Who's Who in China

雲照坤
Yun Chao-kun

Yun Chao-kun, banker; born at Wên-Cháng, Kwangtung; was graduated from the University of Washington and Columbia University, U. S. A., where he received B. A. and M. A. degrees respectively; before going abroad he was educated at the Tsing Hua College, Peiping; after finishing his studies in America, he went to England for research work in public finance at the London School of Economics, London; he also went to France and Germany, making a close study of the political and economic conditions there; after returning home from Europe in 1931, he has served successively as Secretary of the Finance Department of Kwangtung Provincial Government; Auditor of the Kwangtung Provincial Bank; Manager of different branches of the same bank; now Vice-president of the bank; address: the Kwangtung Provincial Bank, Canton, Kwangtung.

雲照坤，廣東文昌人，北平清華學校畢業，美國華盛頓大學經濟學士，哥崙比亞大學經濟碩士，英國倫敦大學經濟研究院研究員，曾奉派赴英德法等國實地考察歐洲政治經濟情況，歷任廣東財政廳專員，秘書，及廣東省銀行總行稽核，暨分支行主任等職。

Woman Murderer of Gen. Sung Chuan-fang Is Pardoned

Miss Sze Chien-chiao, who murdered General Sung Chuan-fang, former military overlord of Kiangsu, Chekiang, Fukien, Anhwei and Kiangsi, was granted a special pardon by the National Government in a mandate Oct. 14. After having shot the erstwhile warlord to death last winter in Tientsin when he was worshipping in a temple, Miss Sze surrendered herself declaring that she did it to avenge her father's death at the hands of General Sung, when the latter was at the height of his power. The pardon was granted as a result of nation-wide appeals for clemency on her behalf. Although it was deplored that she took the law into her own hands, it was thought that she deserved pity for her filial piety, which was responsible her crime.

Contractual Regulations for Chinese Laborers Abroad Announced

A set of regulations governing contractual employment of Chinese laborers abroad, which was approved by the Executive Yuan at its weekly meeting last week, has been officially announced by the National Government. Henceforth, according to the regulations, Chinese laborers engaged to work on plantations or in factories in foreign lands and their foreign or Chinese employers will be required to sign an employment contract prepared by the Overseas Affairs Commission. The rules stipulate that in the case of risky work, the employer should provide life insurance for the worker, and in the event of injury or death, a pension should be provided.

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CUSTOMS NOTIFICATION NO. 1548

DRAWBACK CHEQUES DATED BEFORE 1ST JANUARY, 1934, TO BE INVALIDATED AFTER 31ST JANUARY, 1937.

Acting under instructions from the Inspector General of Customs, I hereby notify the public that all unclaimed cheques dated between 1st January and 31st December, 1933, will be destroyed unless claimed before 1st February, 1937. Similarly, Drawback Cheques dated between 1st January and 31st December, 1933, which have been issued but not cashed, will be invalid after 31st January, 1937.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th October, 1936.

CUSTOMS NOTIFICATION NO. 1549.

With reference to Notification No. 1470, the public is hereby notified that in accordance with Government instructions export duty on frozen ducks will be levied at the reduced rate of 5 per cent. *ad valorem* from the 1st October, 1936, until the 31st March, 1937, inclusive.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th October, 1936.

Men and Events

Over 200 houses were burned in a fire which swept Foochow Oct. 18.

Tung Kang, Professor of Chinese Law at the National University of Peking, was seriously injured in a traffic accident inside the Hoping gate Oct. 15.

The California Attorney General Oct. 18 approved the use of state relief money to deport 25 Chinese who have been on the American relief rolls for many months.

The prisoners in the Kiangsu district prison have been on hunger strike since Sept. 13 and the trouble has not yet been settled, a telegram from Chengtu Oct. 16 stated.

The Sino-British Joint Commission for the demarcation of Yunnan-Burma Boundary will shortly resume their investigation, according to information received in Nanking Oct. 16.

A formal invitation to take part in the international hunting exhibition to be held shortly in Germany has been received by the Ministry of Industry from the German Government through the Waichiaopu.

Wei Tai-sheng, director of the Clinic or the Treatment of Opium Addicts in Shehyang, Northern Kiangsu, has been detained here on a charge of accepting bribes from inmates of the Clinic.

A Fukien Provincial Opium-Suppression Conference will be held in Foochow, on Nov. 15, lasting from five to seven days, it is officially announced. The various District Magistrates are required to attend either in person or by proxy.

The Sino-Soviet agreement for the exchange of parcel posts between the two countries recently concluded by the respective postal authorities was formally ratified by the Legislative Yuan in a plenary session at Nanking Oct. 16.

Sun Fo, President of the Legislative Yuan, departed from Shanghai to Canton this week to attend the state burial of the late Hu Han-min, Chairman of the Standing Committee of the C.E.C., which will take place Oct. 21.

The death occurred in New York, Oct. 15, at the age of 58, of Marlen E. Pew, former editor of *Editor and Publisher*. Mr. Pew was well known in the Orient because of his world-wide travels. He had been ill since his trip to the Philippines las tyear.

Under the auspices and support of the Central Field Health Station, public health services have been systematically introduced during the current year into seven provinces, namely, Kiangsi, Hunan, Kansu, Ninghsia, Chinghai, Shensi, and Chekiang, a recent report of the Station revealed.

The British Coroner at Tientsin Oct. 13 returned a verdict of suicide during temporary insanity at an enquiry into the death of a British soldier, Ernest Biggin, of the Royal Army Medical Corps stationed in Tientsin. The coroner found that he committed suicide by cutting his throat with a razor on Oct. 12.

A movement was recently started by Dr. Wu Lien-teh, Director of the National Quarantine Service, to organize a Chinese Cremation Society. Dr. Wu states that enough support has been gained here for the pioneering project in order to enable the Society to begin work in the spring of next year.

The plant of the Nanking *Morning News*, a popular tabloid-sized Chinese daily newspaper in Nanking, was completely destroyed by a fire which broke out Oct. 18 in a neighboring house. Despite the disaster, the staff set to work in a Nanking job printing house and the paper appeared the following morning as usual.

Concerned over the heavy loss of domestic animals in China due to communicative diseases, the National Agricultural Research Bureau has asked Prof. T. J. Kurotchin of the Department of Bacteriology of the Peiping Union Medical College to work out effective plans for the development of veterinary medicine in this country.

The contract for reconditioning the 10,200-ton freighter *Stuart Dollar*, purchased recently by the American-Hawaiian Steamship Company from the Dollar Steamship Lines, was recently awarded to the Todd Dry Docks, Inc. at Seattle. The *Stuart Dollar* was built by the Kiangnan Dock & Engineering Works in Shanghai in 1920 and launched as the *Mandarin*.

Judge Helmick in the U. S. Court for China Oct. 9 reserved decision in four cases in which claims for preferred position were made by creditors of the defunct American Oriental-Banking Corporation, the defendant named being Dr. George Sellett, liquidator. The principal claimant was the American Express Co. which claims $12,000 on travellers checks, sold by the defunct bank.

Frank B. Fearon was committed for trial Oct. 19 on charges of embezzlement and making false entries in ledgers and cash registers while employed as an accountant in the Aluminium Union, Ltd. He will be tried in the British Supreme Court at a date to be announced later. The defendant admitted the allegations in 22 charges of embezzlement and false entries involving sums of many thousands of dollars

Kaname Wakasugi, Japanese Consul-General in Shanghai, on Saturday filed a written protest with Gen. Wu Teh-chen, mayor of Great Shanghai, against the 10 hour detention of two members of the Japanese Special Naval Landing Party Oct. 16 by members of the Peace Preservation Corps.

Altogether 1,035 students left for foreign countries for advanced studies during the year 1936, according to figures released last week by the Ministry of Education. Of this number, about 500 went to Japan, 900 to the United States, while the rest were scattered among the European countries. Almost half of these students are majoring in various branches of applied science.

The death occurred in Tientsin last week at the age of 93 of the Rev. Thomas Bryson, "old-time" missionary. Mr. Bryson was born at Edinburgh in 1843 in the early days of the reign of Queen Victoria. In 1866 he was appointed by the London Missionary Society for work in China. Mr. Bryson was the first resident missionary in Wuchang and for some time was the only foreigner living there.

The Shanghai Chapter of the D.A.R. initiated seven new members at the first meeting of the new season, held Oct. 15 at the home of the Regent, Mrs. H. A. Wilbur. The local members initiated included Mrs. C. L. Boynton, Mrs. A. M. Dunlap, Mrs. C. H. Westbrook, and Mrs. J. C. McCracken. Absent members initiated were Miss Margaret McCracken, Mrs. C. N. Wilbur, and Mrs. Nelson T. Johnson.

Nathaniel Peffer, who wrote "Must We Fight in Asia?" and a host of other books on Oriental problems, told *Domei* in Tokyo Oct. 14 that "there are at present no signs of an imminent clash between Japan and the United States". Mr. Peffer arrived in Japan Oct. 5, accompanied by his wife, on the first leg of a two-year tour of the Orient, following which he will write a new book interpreting the current trends in East Asia.

The great progress which China has made in the field of communications was the subject of an address given before the American Junior Chamber of Commerce by George F. Sheeklen, China Representative and Vice-President of R. C. A. Communications, at a tiffin meeting in the American Club in Shanghai Oct. 13. F. F. Kops, the President of the American Junior Chamber of Commerce, was chairman of the meeting.

The report of the Chairman (Y. Hou) to the shareholders of the Bank of Communications at the annual meeting in Shanghai April 18 has been printed in brochure form. The Bank made a profit of $1,290,957.16 during the year ending Dec. 31, 1935. Mr. Hou stated that he wished to assure his fellow countrymen that the Bank would heartily cooperate with the National Government in any financial measures which it introduced.

Judgment was reserved in the Court of Consuls in Shanghai Oct. 17 when the case brought against the Shanghai Municipal Council by Chen Ling-sze and six other plaintiffs, representing themselves as the widows and administrices of seven men who were drowned in a car accident May 12, was resumed before Sir John Brenan, Clarence C. Gauss, and M. Lardy. The accident occurred when a car plunged over the end of Yangtszepoo Road into the Whangpoo River Canal.

Huang Jiu-hsiung, graduate of the National Tung Chi University, Shanghai, and now engineer of the Central National Survey College, has been awarded the Humboldt Medal by the German Academy of Munich, for excellent attainments by foreigners in the study of the German language. The holder of the medal is entitled to a four-week visit in Markbreit, near Wuerxburg, Germany, where the German Academy has arranged special courses for the advanced study of the German language.

Recent developments in China were outlined by Wunsz King, Chinese Minister to the Netherlands, who was formerly Foreign Commissioner in Shanghai, in a speech in Geneva, Oct. 7, before the Second Economic Committee of the League of Nations. Signs of rehabilitation in China, he declared, were noticeable, but progress had been retarded by many serious complications and difficulties. Mr. King drew attention to the losses caused by smuggling in North China, which he said, was not only an attack upon Chinese credit but upon the legitimate trade of all countries.

The lifeless body of D. Ezra Abraham, aged 48, a Jew, was found in House No. 57, Lane No. 644, Hart Road, Shanghai, Oct. 16. The body as shown by an inquest, held by Procurator Soong, bore wounds received from a chopper and a hammer. The body was ordered to be removed for burial by the representative of the Jewish Communal Association and the police were instructed by the Procurator to apprehend the assailant or assailants of the deceased. Police evidence was to the effect that a female Chinese alleyway sweeper named Yao Vung-sz found the deceased's body. The corpse had been examined by the Council doctor, as the decesaed was first alleged to be a British subject.

Renzo Sawada, Japanese Consul-General in New York, at present in Tokyo on furlough, is soon to be appointed counsellor of the Japanese Embassy in Hsinking.

Wu Chung-kwei, a reporter of the *Min Hsing News Agency* in Peiping, was arrested last week at Anyang, in northern Honan a few miles from the Hopei border, on charges of instigating subversive activities on behalf of "certain quarters."

Miss Dorothy Elizabeth Quigley, the daughter of Dr. and Mrs. James E. Root, Jr., and Lt. Francis Allen Van Slyke of the U.S.S. *Asheville*, were married in Shanghai Oct. 18 by Chaplain M. M. Witherspoon of the U.S. Fourth Marines.

Mr. and Mrs. R. P. Butrick of the U.S. Consulate-General, who originally intended to leave Shanghai on Oct. 6 but had to postpone their departure because of Mr. Butrick's illness, sailed this week by the *President Adams* for Europe and the United States.

Word was received in Shanghai this week that Hewitt F. Mitchell, first China National Aviation Corporation pilot to be trained for the twin-engined Douglas transports (formerly on the Shanghai-Peiping line), has joined American Air Lines and is flying a Los Angeles-El Paso route at present.

The Central China conference of the Methodist Episcopal Church, of which many of China's leading Government personalities are members, was held in Nanking from Oct. 17 to 20. Among the subjects discussed was one recommending the amalgamation of the Methodist Episcopal Church, South, and the Methodist Episcopal Church.

Announcement was made this week that Miss Tan Pin-pin, of Yenching University (Peiping), won the first prize, and Miss Hu Hwei-shai, of Fuh-tan University (Shanghai), the second prize in the essay contest for an aggregaute sum of $150 (Chinese currency) offered by the Women's Club of Richmond, Virginia, the suggestion of Sao-ke Alfred Sze, Chinese Minister to the U. S.

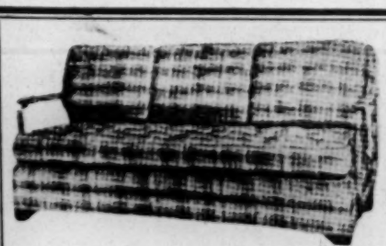
A Chungking message to the *Lih Pao* Oct. 15 stated that as a result of the protest filed by the Ministry of Foreign Affairs, the French Consulate in Chengtu will be abolished. In a letter to the Provincial Government the French Consulate in Chengtu declared that the Consulate will be abolished, but that a special diplomatic representative of the French Government will remain in Chengtu.

Four persons were killed and 30 others injured shortly after nightfall in Bombay Oct. 19, when the police fired on a mob which had started rioting on a large scale. A hundred of those involved were arrested, and, subsequently, 60 of them were sentenced to a flogging. Four persons who were injured in the riots which occurred the previous day, succumbed, bringing the casualties since the first outbreak last week to 58 killed and 500 injured.

On Oct. 27 the 4th Marines stationed in Shanghai will observe Navy Day with a Regimental Parade on the Polo Field of the Recreation Grounds at 9.45 am. On Oct. 22 the Navy Relief Military Ball was held in the Shanghai Race Club. It was a full dress military affair. On Oct. 24 the Navy Relief Smoker will take place in the S. V. C. Drill Hall, Foochow Road at 8 p.m. and will consist of eight championship boxing bouts and three special events, between the Marines and the Asiatic Fleet. The Marine Band will be in attendance.

New District Attorney Appointed for U.S. Court for China

A telegram from Washington Oct. 22 announced the appointment of Leighton Shields, of Missouri, as District Attorney for the U.S. Court for China to succeed Felthan Watson. Mr. Watson is at present in the United States.



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New Books of Interest in the Far East

A Treatise on Chinese Law

Le Droit Chinois, by Jean Escarra, Professor in the Faculty of Law of the University of Paris and Adviser to the Chinese Government. Peiping: Henri Vetch, 1936. 573 *pages, price M.*$18.00.

The remarkable evolution of the Chinese Law during the last decade has stimulated the appearance of many books in this field. A variety of legal works written by foreign as well as Chinese authorities, dealing with different aspects of the subject, have lately been published. But hitherto there had been no capital work of a universal character which could serve both as a text-book and an encyclopedia and would embrace the problems of jurisprudence and judicature as well as the history and philosophy of Chinese Law. Professer Escarra's book fills the gap and in this sense is to be considered a unique contribution.

The contents of the book embrace the following :—The Philosophy of Chinese Law, which part is divided into : (a) Fundamental ideas, (b) Schools of Law, (c) Science and Technique of Chinese Law, (d) The spirit of Chinese Law, The Legislative Institutions, The Judicial Organization and The Teaching and Science of Law. Each of the above subjects is elaborated in a concise form by Professor Escarra, who presents a brilliant expose, easily readable, based upon sound knowledge and provided with innumerable references to other authorities.

The first part of the book, dealing with the philosophic conception of Chinese Law, deserves the highest praise. Perhaps never before were the gist of "la mystique confuceenne' and its influence upon China's social order and law given a deeper or more detailed analysis. Extremely interesting also is the author's survey of the influence of modern tendencies upon the Chinese conception of Law which he terms "La mystique de Kouo-min tang".

The second part of the volume is devoted to a survey of the problems of legislation and codification in China. While of less valaue, nevertheless it supplies ample and chronologically arranged information with regard to the Chinese Government's activities in this field. Worthy of consideration is the analysis of the three phases through which, according to Professor Escarra, the process of the law codification of every country must pass. The first of them is merely the translating of the foreign codes; during the second process these codes are partly adapted to the needs of the country and only at the third phase do they acquire the national features of a country by means of adequate elaboration based upon past experience. China stands now at the threshold of the third phase, when her whole system of laws will have to be revised in order to get rid of those anachronisms which experience has revealed.

The third part of the volume deals in detail with the judicial organization of China and methods of administration of Justice. In this part as well the author's observations, always straightforward and to the point, deserve the closest attention.

In the fourth part of the book light is thrown upon the rather obscure problem of scientific research and instruction in Law in China. The suggestions made by Professor Escarra for the amendment of the present system of Law education should be considered of value by all concerned. The final part of the volume, "General Conclusions," provides concise summaries of all chapters of the book and is followed by an appendix dealing with the Bibliography of Chinese Law which will be invaluable to the student.

"I wish that this work, elementary and lacking any scientific character, may suggest to those interested the idea of creating of a real 'juridical sinology,'" writes Professor Escarra in the preface to his book. And though he adds further that he can by no means claim to bear any relation to this science, one forms a different opinion on this point after a careful perusal of his work. If one day Professor Escarra's wish should come true and the science of "juridical sinology," embracing scientific research and dogmatic studies in the realm of Chinese Law should see the light, this book of his will, undoubtedly, be recognized as the foundation of this science.

A. G.

NOTICE

JOHN BULL has collected many times over that Mississippi Civil War Debt pledged by Jeff Davis, and should not tie this long-whiskered, uncollectible item to World War Debts. "King Cotton" protests vigorously and names new terms. For background and conditions of Anglo-American cooperation, read "The Great American Punch-and-Judy Show," by George M. Battey; 58 pages, fully illustrated, $2. Square Deal Press, 1276 N. Szechuen Road, Shanghai, and leading bookstores.—Adv.

"China and Peace"—An Appeal to the Friends of Peace and Humanity—is the title of a 16-page brochure from the pen of Prof. Hu Chow-yuan, published by Asia Shudian, Paris. The author describes how the Chinese people have carried on the fight for national liberation and how Japan has become a most dangerous enemy of peace.

K. B. Vaidya, editor of the *Canton Daily Sun*, has written a book entitled "Reflections on the Recent Canton Revolt and After." The author, in paying a tribute to Gen. Chiang Kai-shek, says the latter always placed before him three important factors, namely, national unity, extermination of the Reds and thorough military equipments on modern lines, and desisted from acting one way or the other until he had made sure of his foundations in these three directions. An undigested action which does not take account of the practical position of the country's ability to sustain any prolonged war on modern lines, would not lead to the fulfilment of those wishes which every patriotic Chinese cherishes as the most valuable, says Mr. Vaidya.

The *Chinese Social and Political Science Review* for October contains articles on the Code of Northern Mongolia, War and Diplomacy over Ili, and Responsible Factors in Chinese newspapers.

Oldest Revolutionary Urges "Blood and Iron" Policy to Save Country

Yao Lih, the only living member of the original four revolutionaries who with Dr. Sun Yat-sen took part in revolutionary activities in 1882, broadcast a message to Chinese citizens and Kuomintang members on Thursday evening, October 15 at 9.40. The aged revolutionary, who during his sojourn in the National Capital was visited by Chairman Lin Sen, General Feng Yu-hsiang, Dr. Wang Chung-hui, Messrs. Sun Fo, Yu Yu-jen, Chen Li-fu, Yeh Tsu-tsang, Ting Wei-fen and Chu Ming-yi, and Mayor Ma Chao-chun, spoke in Cantonese, as his message is eagerly looked forward to by overseas Kuomintang members.

The full text of his speech is as follows :

"Fellow countrymen and fellow members of the Kuomintang :

"I am glad to have the pleasure of speaking to you all through the Central Radio Broadcasting station. As I am old and my health is delicate, I must make my talk concise.

"We must always keep in mind that the establishment of the Chinese Republic was not an easy matter, but was made possible by the untold sacrifice of numerous martyrs. The Republic has been established for twenty-five years already, but unfortunately, during this period the country was torn by internal strife, and naturally its disastrous effects were felt by the people. Fortunately, through the cooperation of the Central Government and the various provinces we are happy to witness the actual unification of the entire country.

"I wish to say that the internal strife of the past has invited foreign aggression, thus retarding the progress of national reconstruction. If we all do not unite together in thought and action our country's strength cannot become consolidated and we will, therefore, be unable to resist foreign aggression.

"The present international situation is such that the outbreak of another world war is imminent. Our civilization has withstood the vicissitudes of thousands of years, and it is logical to assume that the perpetuation of the Chinese race has a definite purpose, and that is to help uphold world peace. We must preserve the ancient teachings of the sages; we must go about our tasks faithfully, diligently and patiently and follow the Central Government's guidance to steer us away from a world war for the sake of mankind.

"The sufferings of our brethren during the past few years have indeed been great, for internally the floods have brought disaster upon our countrymen, and externally, we are all suffering from the insatiable aggression of a powerful country. Our overseas brethren have also been adversely affected by the world depression. We are now confronted with the greatest crisis in China's history. How can we solve this difficulty ? I have already pointed out that unless we are united in thought and action, there can be no real solution. I fervently hope that there will be no separatist movements in the future.

"For thousands of years our national philosophy has been based on the maintenance of peace, and her past record justifies China's claim as a standard-bearer of world peace. But when someone is strangling our throats and attempting to stop us from breathing, endangering our very existence, then it is about time to revive the feeling of nationalism so that our revolutionary martyrs may not have died in vain. The young men of the entire country must unite with blood and iron to save their country.

Why China Failed at the Berlin Olympiad

Tai Chi-tao, President of the Examination Tuan and China's official delagate to the Berlin Olympiad, declared in a speech in Nanking Oct. 12 that while the physical inferiority of the Chinese delagates was the main cause for their failure, the lack of preparedness also accounted largely for China being white-weshed at the games. Henceforth, Mr. Tai declared, it should be the duty of the authorities to promote physical education among the masses.

Gold Yen Notes to Be Issued in East Hopei

The Tokyo *Yomiuri* Oct. 4 stated that because of the fact that the North China situation is extremely delicate politically and the question of establishing the so-called North China Central Bank is raised in this connection, the functions of the coming East Hopei Bank will be limited to the scope of a transitional bank in North China. The extent of business will be confined to the administrative area of the East Hopei Government. The capital will be small, some Yen 5,000,000, jointly contributed by Japanese and Chinese, it is understood.

The Bank of Chosen will concentrate its attention on the financial development of North China, according to Japanese sources. In accordance with this decision, the bank is establishing branches at Tsinan, Tsingtao, Tungchow, and other cities in North China. In order to dominate the finances of the East Hopei regime, the bank will issue gold notes for circulation in the district, beginning from Dec. 1, 1936, with a view to placing the money system of North China on the Japanese yen basis.

The Tokyo *Nichi Nichi* Oct. 6 stated that the new notes are to become controlled currency, controlled on the basis of the gold yen. As advisers are to join the East Hopei Bank from the Bank of Chosen, it will be the North China advance of the Bank of Chosen in a changed form. Through the advance of the gold yen on North China Japanese investments in North China and other economic relations in the area will become much easier than heretofore, in the opinion of the *Nichi Nichi*.

The Bank of Chosen will withdraw all its notes in circulation in the new Empire and the South Manchuria Railway Zone on Dec. 1.

East Hopei to Have Own Bank

Charged with the task of keeping the Treasury of the East Hopei Autonomous Anti-Communist Government, the Bank of East Hopei will be thrown open to business on Nov. 1, a *Domei* message from Tientsin Oct. 16 stated.

Judge Helmick Dismisses Libel Suit Brought by British Sports Writer

Judge Helmick in the U. S. Court for China Oct. 19 dismissed a libel action brought by C. W. Toombs, British sports editor of the *Shanghai Times*, against Joe Morang, reporter, and the *Shanghai Evening Post*. The trial of the case took place last week. The plaintiff claimed $5,000 damages from the two defendants on the basis of an article by Mr. Morang in his sports column, which he charged was false and defamatory, and injured his name and credit as a sports writer. The plaintiff in his testimony stated that he had worked on London, Liverpool and Shanghai newspapers. Although he claimed in his petition that his reputation as a sports writer had been injured, he admitted in cross-examination that he still retained his position on the *Times* and at the same salary as previously. He claimed, however, that his project for the publication of a sports annual had been postponed because of Mr. Morang's article. On this point, however, George Bruce, publisher of the *Post*, testified that the project fell through because of the lack of advertising. Randall Gould, editor of the *Post*, testified that he had offered the plaintiff the columns of his newspaper to reply to criticisms made by the writer in the *Post*, but the offer was declined. The controversy between the two parties to the suit concerned the Schmeling-Louis boxing bout last summer.

It was shown in evidence that defendant had firmly predicted that Louis would win. This gave plaintiff a chance to reply with a "roast." Defendant once more entered the lists with the article which formed the basis of the suit, in which plaintiff was described as a "dowdy little gent," and phrases of a similar style. The plaintiff testified that he wrote the article because he saw no reason why Mr. Toombs should be allowed to "walk over" American sports writers in general without a chance at a "come-back" on their behalf. He felt that someone had to take up the cudgels.

Judge Helmick in dismissing the case said that American courts generally are somewhat cynical in entertaining libel suits in which the parties are newspaper men and where the suits arise out of "newspaper warfare."

International Women Traffic Pact Debated by Legislative Yuan

Following a heated debate lasting for one hour at its general session in Nanking Oct. 16, the draft International Convention for Suppression of Traffic in Women was referred to a subcommittee for further consideration by the Legislative Yuan.

Dr. Chow Wei stated that one of the articles of the convention has made the whole arrangement entirely meaningless so far as China is concerned, as the article stipulated that "any high contracting party may at the time of signing declare that it may not resume any obligation in respect to all or any of its colonies, protectorates and overseas territories," where, traffic in Chinese women is often reported. Furthermore, he pointed out that many Powers, including Great Britain, France, the United States, Japan and Siam have not yet signified their intention of ratifying the convention.

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American Missionary Refused Entry to Japan Because of Alleged Communist Leanings

The Rev. J. S. Spencer Kennard, American missionary, returning to Japan from leave, was refused entry to Japan at Yokohama Oct. 16 when police officials alleged that he had Communist tendencies and had engaged in anti-war activities. Mr. Kennard remained on board the *Asama Maru* in which he came from America, stating that he intended to seek admittance to Japan at Kobe. Mr. Kennard's wife and daughter were permitted to enter Japan for six months, during which time they were advised to dispose of their property and then leave the country. Mr. Kennard, who has served with the Baptist Foreign Mission in Japan for sixteen years, declared that the charges of Communism against him were "absurd," asserting that he was pacifistic, but not Communistic.

Mr. Kennard was not, however, allowed to land at Kobe and was brought to Shanghai, arriving here Oct. 20. The charge against Mr. Kennard included an allegation that his entry into Japan would be injurious to the peace and order of the country. The Japanese police said that Mr. Kennard was in close contact with A. H. Buchman, who was deported from Japan to Shanghai in August, 1933, on a charge of Communism. Mr. Buchman had arrived in Japan from America as a student, and was associated in Tokyo with liberal Japanese groups. He was arrested and sent here and has been engaged in newspaper work here since.

Japanese Advocate Abolition of Shanghai Public Schools

Advocacy by the Japanese Residents Corporation of a drastic reform in the educational policy of the Shanghai Municipal Council, in which the present public school system would be abolished, was recommended at a meeting of the Foreign Affairs Committee of the Corporation Oct. 19. Under the plan championed by a faction of the committee, each national group in the Settlement would be responsible for the education of its members under a system of fixed grants-in-aid from the Council. The present system, according to its Japanese critics, provides for the expenditure of $2,600,000 every year to educate 7,500 children, whereof 6,000 are Chinese and 1,500 foreign. The latter, the newspapers remarked, were mostly British. In contrast, the Japanese community maintained its own educational institutions with a grant-in-aid of $139,000. Total enrollment in those schools is 2,674.

Why She Left The East.

ENGLISHWOMAN TELLS OF PENALTIES OF LIFE ABROAD.

"I have travelled over the greater part of the world," stated Mrs. M. Crowden, now residing at 40, Broad Oak-road, St. Helens, to a newspaper reporter. "My husband is a trainer of racehorses, and he has controlled stables on the Continent, in New Zealand, Australia and India.

"I was living in India for three years, and while there I contracted malarial fever, and for a while my life was despaired of. Although I recovered somewhat, the tropical climate was too much for me and I had to leave my husband and return to England.

"After my return, however, I was subject to recurring attacks of the malaria and I dreaded the approach of symptoms foretelling an attack. I suffered from chills, my appetite went completely and the very sight of food was distasteful to me. This went on until I became almost a complete mental and physical wreck, and didn't even wish to live.

"Then one day a booklet came into my hands describing how many sufferers from debility and other ailments had been cured by Dr. Williams' pink pills, and I determined to give the pills a trial.

"Before I had finished the first box, I felt that the pills were doing me good. I continued, and benefit was gradual and certain. I regained my strength, and I could eat my food and enjoy it. By the time I had taken five boxes of Dr. Williams' pink pills, my health was completely restored. Now I feel stronger than I have done for years, and am able to enjoy life again. I cannot say how grateful I am to Dr. Williams' pink pills, and I shall recommend them without hesitation."

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Terauchi Urges More Industries in Manchukuo

Slow development of Manchukuo's industries because of the alleged reluctance of major Japanese interests to invest funds in the new State was brought to the attention of Premier Koki Hirota and Dr. Eiichi Baba, Finance Minister, by Gen. Count Hisaichi Terauchi, War Minister, this week. This reluctance, the War Minister reportedly emphasized, is absolutely unjustified, since banditry has practically been eliminated and peace and order restored in the new empire by Japanese and Manchukuo troops. Gen. Terauchi also stressed the need of developing Manchukuo's heavy industries, to strengthen the "first defense line" of Japan and the new Empire. He urged efforts to parallel the expansion of the heavy industries in Siberia and Outer Mongolia, both of which are expected to be self-sufficient militarily in a few years.

Manchurian Investments to Be Given More Encouragement

The *Tokyo Asahi* Oct. 10 stated that the fear that in case of emergency Manchuria may be cut from munitions supplies is forcing the Japanese Army to be much interested in promotion of the industries in Manchuria. All other industrial enterprises are left to the free management of unofficial circles.

Manchurian Colonial Corporation Reorganized

A recent Changchun message stated that because the Manchurian Colonial Corporation has failed to fulfil the plan of settling 1,000,000 Japanese families in Manchuria, the Japanese authorities have decided to strengthen the organization of the corporation. According to the new plans, the corporation will be reorganized into the Manchurian Development Corporation with a capital of Yen 50,000,000.

Manchu Film Company to Be Organized

The establishment of a film corporation known as the Manchukuo Motion Picture Company has been approved by representatives of the Kwantung Army, the Kwantung Bureau, the South Manchuria Railway Company, the Japanese Navy in Manchuria and the Manchukuo government. The company is to be a "special Manchukuo juridical person" capitalised at 5,000,000 yen, of which half would come from the S.M.R. and half from the Manchukuo government.

Tsitsihar Consulate Elevated to Consulate-General

Effective Nov. 1, the Japanese consulate at Tsitsihar, will be elevated to a consulate-general.

Britain to Extend Recognition to Manchukuo?

An article by John E. Anderton in the San Francisco *Chronicle* recently stated that the most startling news from the Orient for some time is the report of a plan by Sir Samuel Hoare, First Lord of the British Admiralty, whereby Great Britain would extend diplomatic recognition to Manchukuo. Such recognition would only be extended if and when Japan complies with the terms of the British proposal. The terms under which Britain is reported ready to recognize Manchukuo fall into three groups. The first is political—Japan must assure the continuance of the territorial integrity of China, the open door, and recognize British vested rights in China. Britain in return will recognize Manchukuo and concede Japan's special interest in North China. The second proviso is economic, and provides for a reciprocal adjustment of tariff schedules between Japan and Great Britain in proportion to Japanese purchases of British goods. The final proposal of Sir Samuel Hoare's plan is to require Japanese approval of the London naval treaty, reserving to Japan the right to insist on her previously announced policy of naval parity.

300 Japanese Planes Stated to Be in Mukden

A total of 300 Japanese airplanes was reported to have reached Mukden, and an aerial maneuver will be staged along the border by these Japanese planes, a recent Tientsin message to the *Shao Tan Pao* stated.

Hulutao Harbor Building to Be Resumed

The scheduled resumption of harbor-construction work in Hulutao on Oct. 26 was reported this week by the *Kokutsu News Agency*.

Scores of Japanese Killed in Liaoning

More than 200 anti-Japanese volunteers in Liaoning attacked the garrison of Saimachi district Oct. 17 and killed scores of Japanese and Manchukuo soldiers, a Changchun message in the *China Evening News*, Oct. 18, stated.

Dr. H. H. Kung in Hospital Suffering from High Blood Pressure

The Executive Yuan has granted two weeks' leave of absence to Dr. H. H. Kung, Minister of Finance, who has entered hospital in Shanghai. Dr. Kung is suffering from high blood pressure. During Minister Kung's absence, the affairs of the Ministry of Finance will be in charge of Messrs. Tsou Lin and Hsu Kan, respectively Political and Administrative Vice-Ministers of Finance. Important documents of the Ministry will however still be referred to Minister Kung for attention.

New Chinese Ambassador to Russia Will Sail for Vladivostok Oct. 28

It is reported that Gen. Chiang Kai-shek, summoned Chiang Ting-fu, Ambassador to the U.S.S.R. (and others), to interview him at Hangchow Oct. 18. Ambassador Chiang Ting-fu was instructed to convey the opinion of the Chinese National Government to the Soviet authorities with reference to the readjustment of Sino-Soviet relations and also the encouragement of Sino-Soviet cooperation. But, on the other hand, he was further instructed to ask the Soviet authorities for a slackening of their Red Campaign in China, especially regarding their support with munitions and funds to the Chinese Red Army and their encouragement of the extension of the United Anti-Japanese Front movement in China.

Dr. T. F. Tsiang, Chinese Ambassador-designate to Soviet Russia, is at present in Shanghai. He is scheduled to leave for Europe via Siberia on the s.s. *North* on Oct. 28.

General Chang Chun, Minister of Foreign Affairs, and Messrs. Hsu Mo and Chen Chieh, Political and Administrative Vice-ministers of Foreign Affairs, were hosts at a dinner Oct. 20 in honor of Dr. Chiang Ting-fu, Ambassador-designate to Soviet Russia, and Mrs. Chiang; Dr. C. T. Wang, Ambassador-designate to the United States of America, and Mrs. Wang; Dr. Tan Shao-hua, Minister-designate to Mexico, and Mrs. Tan; Dr. Cheng Tien-hsi (F. T. Cheng), newly appointed Judge of the Permanent Court of International Justice at the Hague, and Mrs. Cheng; and Shih Chao-ying, 1st Secretary of the Embassy at Moscow.

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Prospecting Period for Saghalin Oilfields Extended

Extension of the prospecting period in its oil fields in North Saghalien by the Soviet authorities for a period of five years, commencing on December 1, was announced Oct. 8 by the North Saghalien Petroleum Company, a Japanese concern.

China Tea Export to Soviet Russia Shows Decrease

According to a report received in Nanking from the Chinese Consul General in Siberia, a sharp decrease in China's export of tea to Soviet Russia was witnessed last year. The export of Chinese tea to Russia last year totalled only 11,888 tons, about 4,531 tons less than last year.

Soviet-Manchukuo Border Talks Resumed

Calling on Hachiro Arita, Foreign Minister, Constantin Yureneff, Soviet Ambassador, Oct. 16 reopened discussions on the establishment of joint commissions for the demarcation of the Soviet Manchukuo borders and the adjustment of frontier disputes. The conversations were originally started Aug. 17 1935.

Japanese Smugglers Again Attack Customs Officers

Three Custom officers and several Chinese police were seriously injured as a result of an attack by a large group of Japanese smugglers, Oct. 17, who attempted to take back smuggled goods detained by the police in Lokou. Several of the attackers were arrested but later released upon receipt of a protest from the Japanese authorities.

Under the order of Gen. Sung Cheh-yuan, Kuo Ting-yuan, secretary-general of the Hopei and Chahar Political Council, proceeded to Nanking Oct. 14 to submit a report to the Finance Ministry on the liquidation of smuggled goods in the North. Mr. Kuo was expected to stay in the capital for a full week before returning the Peiping.

Tientsin Customs Rejects Korean's Request for Return of Seized Silver

The Tientsin Customs Administration has rejected the petition of several Koreans, requesting the return of more than 3,000 smuggled silver dollars seized by the Customs authorities on Oct. 13 at the central railway station. The money, it is understood, will be confiscated according to Customs regulations.

E. N. Ensor, director of the Anti-Smuggling Bureau, proceeded to Tientsin Oct. 14 by plane to make preparations for the removal of the Bureau to Tientsin, which will henceforth become the central base of operations for the Customs preventive officers. It is understood that the General Bureau will be removed from the Capital to Tientsin on November 1.

Contraband Goods Stopped at Shantung

Two hundred packages of smuggled sugar and cigarette paper coming down from the North on the Grand Canal were seized Oct. 11 at Tsaochuang in southern Shantung by the Hsuchow Branch of the Customs anti-smuggling office. The contraband was shipped to Nanking.

Outgoing Smuggling Also Prevalent in Tientsin

Central News states that in addition to the cladestine trade in imports, large quantities of exports are now also being smuggled out of Tientsin. Trucks and mule carts, after conveying smuggled goods into Tientsin from the demilitarized zone, are carrying back large consignments of cotton, linens, furs and other export articles.

Sino-Japanese Aviation Company to Operate Three Air Lines

A preliminary agreement relating to the institution of air traffic between North China and Japan was signed Oct. 18 between General Sung Che-yuan, Chairman of the Hopei-Chahar Political Affairs Committee, and Tateki Horiuchi, Japanese Consul-General at Tientsin, on behalf of the Japanese Foreign Office.

A Nanking message to the *Lih Pao* stated that the head office of the company will be established in Peiping, while a branch office will be set up in Changchun. The company will be known as the "Hui Tung Company," meaning "communication for mutual goods." In the first stage of the operations of the company, three air lines will be inaugurated, namely, Tientsin-Mukden, Peiping-Chengteh, and Dairen-Tsingtao. The company will have a number of Japanese airplanes, and all the technical men will be Japanese including the pilots and mechanics. The capital of the Peipiao Coal Mine in Jehol (the coal mine was occupied by the Japanese after the occupation of Jehol) will be refunded to the Chinese, to be used as the Chinese share of the capital of the aviation company.

The central authorities have demanded an official clarification from the authorities of the Hopei and Chahar Political Council of the report from Peiping that a preliminary agreement for the inauguration of air mail and passenger service between North China and Japan had been signed between Mr. Horiuchi, Japanese Consul-General in Tientsin, and General Sung Cheh-yuan, Chairman of the council on Oct. 17 in the old capital, *Central News* states.

The conclusion of a Sino-Japanese Aviation Pact whereby Japanese planes are permitted to land at Taiyuan, capital of Shansi, has roused strong opposition from the Shansi provincial authorities, according to the *Ta Kung Pao*.

Chiang Birthday to Be Celebrated Oct. 31

The 50th birthday of General Chiang Kai-shek, President of the Executive Yuan, is to be observed on October 31, it was officially announced in Nanking Oct. 20. An earlier decision placed the date as October 29 in accordance with the old lunar calendar, but this has been superseded.

Up to Oct. 18, a sum of $500,000 had been raised at Hongkong by donations from Chinese circles for the purchase of airplanes for the National Government in celebration of the 50th birthday of General Chiang Kai-shek. Contributions in Swatow are expected to reach $100,000.

Ho Tse-lin, prominent Hongkong financier contributed $250,000 for the purchase of two airplanes to be presented in connection with Gen. Chiang's birthday.

A strong appeal for public contributions for the purchase of airplanes in celebration of the 50th birthday of General Chiang Kai-shek, was broadcast over the Canton radio Oct. 14 by General Yu Han-mou, Pacification Commissioner for Kwangtung.

Canton expects to donate over $1,000,000 to the Chang Kai-shek fund for the purchase of airplanes to be presented to the National Government on the occasion of General Chiang Kai-shek's birthday.

A sum of $3,000 has been received from the Chinese Embassy in London for the national fund for the purchase of airplanes to be presented to the National Government on the occasion of Gen. Chiang Kai-shek's 50th birthday. The sum represents the contributions from members of the Chinese Embassy and Consulates, and from overseas Chinese resident in England.

Two Japanese Fliers Killed in Plane Crash

Two Navy pilots were killed Oct. 16 off Nojima, when the engine of their hydroplane stalled in midair. The mishap occured during maneuvers by the aircraft belonging to the Yokosuka Air Base.

Anglo-Chinese Airline to Connect Hongkong with Malaya

Preparations are now being pushed forward by Hongkong Chinese and British industrialists to open a Sino-British Aviation Corporation. It is learned that a sum of $500,000 will be used for the purchase of four passenger planes with a speed of one hundred and forty miles an hour. These planes will connect Hongkong, Canton, Macao, Swatow, Amoy, Shanghai, Manila and Malaya. The Corporation is expected to be formally inaugurated within this year, the *Shun Pao* of Oct. 15 stated.

Weekly Hongkong-Penang Air Service Inaugurated

A weekly air mail service between Hongkong and Penang has been inaugurated by the Imperial Airways. The new line connects at Penang with the Singapore-London and Singapore-Australia air mail lines, thus facilitating more prompt postal service between the Colony, England and Australia.

Youthful Dutch-Trained Chinese Airman to Make Java-China Flight

Plans are being completed for a long-distance airplane flight from Java to China by Hsu Chi-hsing, 30-year-old Java-born, Dutch-trained Chinese aviator. Mr. Hsu who was graduated in 1933 from the Netherlands Military Officers' Academy.

Refuelling Base for Airplanes to Be Located in Paracels Islands

Great significance is attached in Singapore to the report, hitherto unconfirmed, of negotiations between British and Chinese authorities for the establishment of a flying-boat re-fuelling base at the Paracels Islands, near Hainan, in the China Sea. The Paracels, a cluster of islets owned by China, lie on the direct air route between Singapore and Hongkong.

French Air Firms to Be Nationalized

The French government has decided to nationalize all enterprises manufacturing aeronautic material, especially aeroplane frames and motors, destined for national defence. This decision puts into operation the provisions of the law passed on Aug. 11 last.

Ekins Completes Round-the-World Journey in 18 Days

H. R. Ekins, of the New York *World-Telegram*, won his round-the-world race against Leo Kiernan, of the *New York Times*, and Miss Dorothy Kilgallen, of the *International News Service*, when he arrived at Lakehurst, N.J., at 10.49 a.m. Oct. 19, thus circling the globe in 18 days, 12 hours and nine minutes.

Japanese Military Officers Demand Stronger Attitude by Kawagoe

A Tokyo message to the *China Evening News* Oct. 15 stated that the Japanese military authorities in China are extremely dissatisfied with the weak-kneed policy of S. Kawagoe, Japanese Ambassador to China. There were rumors that Mr. Kawagoe had decided to resign.

A Nanking message to the *Ta Mei Wen Pao* Oct. 15 stated that it is expected that additional demonstrations of Japan's military strength will be staged in North China as an accompaniment to the negotiations in Nanking.

"Divergence of views as great as ever" was exhibited Oct. 13 at an interview between Yakichiro Suma, Consul-General in Nanking, and Kao Tsung-wu, Director of the Waichiaopu's Asiatic Affairs Bureau, a correspondent of the Tokyo *Nichi-Nichi* in the Chinese Capital reported Oct. 14.

Japanese Bluejacket Slices Ear of Chinese Peanut Vendor

Chen Kwei-yung, age 46, was taken to a hospital in Shanghai on the night of Oct. 17 with knife wounds in his left ear which he alleged, were inflicted by a Japanese bluejacket using a bayonet. After moving several heavy loads, he said he was set upon by a bluejacket, who jabbed a bayonet toward his head. When Chen, who is a peanut vendor, dodged, the blade grazed and partly severed his left ear. As a result of the incident, the Japanese Naval Landing Party temporarily posted additional guards in the vicinity of Chapoo, Woosung, and Range Roads.

A Bomb Incident at Swatow

Japanese consular authorities in Shanghai Oct. 16 described as false a *Kuo Min News* Agency telegram alleging that the Japanese consul in Swatow was investigating the "surpising disclosure" that a Formosan had placed a bomb in his own store in an attempt to create an "incident" and receive an indemnity for the ensuing damage. The bomb, which did not explode, was found in the kitchen of a Japanese store at Swatow during the night of Sept. 17.

Amoy Newspaper Suspended as Result of Japanese Protest

For negligence in the use of "improper words" in its newspaper, the *Amoy Ta Pao* has been ordered by the Amoy Municipal Government to suspend publication for one month. This action has been taken in consequence of a protest by the Japanese Consulate.

Japanese Residents at Ichang Nervous as Result of Mutiny of Chinese Troops

Japanese residents in Ichang were warned by their consular authorities to be ready for an emergency on Oct. 10 following the mutiny of 1,500 men under Major-Gen. Chang Li-san, commander of the 282nd Brigade of the 94th Division of the Chinese Army, a special dispatch to the *Shanghai Nippo* Oct. 14 stated. The Japanese naval authorities were also on guard, the report added. The revolting force, under the command of Major-Gen. Chang, who was said to be a former bandit, moved to a point 15 Chinese li from Ichang and made preparations to attack the town. Martial law was declared in Ichang that night. The mutineers, the dispatch stated, began moving in the direction of Paokang on Wednesday morning, pillaging villages on their way. Military telephone lines have also been cut by the revolting unit. The cause of the revolt, the *Nippo* report said, was a lack of pay coupled with the recent order that the unit should move to another part of the province for incorporation into a Central Army force.

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Latest New York Stock Exchange Quotations

October 21, 1936

Stock Exchange— Business Done:-

Total Volume: 1,670,000 Shares

1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale Oct. 19	Last Sale Oct. 20
15¼	9⅝	0.20	Adams Express	15	15
137½	115¾	4.00	American Can	125	124¼
40⅝	29¼	0.80	Amer. Cyanamid "B"	35⅝	36
9⅝	6½	—	American & For. Power	7	7½
47⅞	29⅝	—	American & Foreign Pwr. $7 pfd.	45½	46⅝
27⅝	18⅝	—	American Radiator	23½	23½
179⅝	149½	9.00	American Tel. & Tel.	179½	179¼
103½	88⅛	5.00	American Tobacco "B"	101½	101⅝
27½	19¼	0.20	American Waterworks	26⅝	26⅞
47¼	28	0.50	Anaconda Copper	47¼	46
88	59	2.00	Atchison, T. & S. Fe	83⅝	81⅝
54¼	26⅝	—	Auburn	34¼	33⅝
26¼	15⅞	—	Baltimore & Ohio	24⅞	24½
75⅝	45⅝	—	Bethlehem Steel	75⅝	74⅝
30½	16⅝	—	Boeing Airplane Co.,	28⅝	28
16	10⅞	—	Canadian Pacific Railway	13¼	13
186	92½	—	Case, J. I.	165	164⅝
50⅝	34	1.40	Chase National Bank	49⅝	49½
96½	59	3.00	Chesapeake Corp.	96½	26½
76½	51	2.80	Chesapeake & Ohio	76½	76
130⅛	85½	7.25	Chrysler	129⅝	127⅝
23⅝	14	0.40	Columbia Gas & Electric	19½	19⅝
24⅝	14¼	0.60	Coml. Solvents	16½	16⅝
5½	2¼	—	Commonwealth & Southern (ord.)	3⅞	3⅞
45¼	27¼	2.00	Consolinated Edison	45¼	47
15¼	11¼	0.60	Consolidated Oil	13½	13¾
38⅛	28¼	1.00	Continental Oil	34⅞	34⅞
82½	64	3.00	Corn Products	72⅝	71
81⅞	50⅝	—	Douglas Aircraft	73⅝	74
169⅛	133	3.60	Du Pont de Nemours	167¼	168
27	15⅝	—	Electric Bond & Share	22½	22½
49¼	34½	0.90	General Electric	49	48½
43¼	33⅜	1.80	General Foods	40⅝	41⅜
73⅛	53⅞	2.00	General Motors	73⅛	72⅝
50	32½	1.00	General Railway Signal	46⅝	46
21⅝	12⅝	1.05	Gold Dust	14½	14⅛
31⅞	21⅝	—	Goodyear Tire & Rubber	26⅝	26⅞
76½	57	1.00	Humble Oil	65⅞	67¼
62⅞	43¼	1.35	Internation Nickel	62⅝	61⅞
19¼	11¼	—	International Tel. & Tel.	12⅝	12⅝
57	28¼	0.90	Kennecott	57	56
62	43	2.00	Loew's Inc.	57⅝	56⅝
26½	21¼	1.20	Lorillard	23½	23½
103	79	1.00	Monsanto Chemical	94⅝	93½
57½	35⅝	0.60	Montgomery Ward	57⅝	56¼
45⅝	31	1.00	National City Bank	43½	43¼
28¼	21	1.20	National Dairy Prods.	26	25⅝
33⅜	25⅝	2.00	National Distillers	29⅝	29¼
14⅞	9⅝	0.60	National Power & Lt.	12	12⅛
49¼	27⅝	—	New York Central	48½	47¾
36⅝	23⅞	1.00	North American	32¼	33⅛
41	30⅜	1.50	Pacific Gas & Electric	37⅞	38
58⅝	47⅝	2.40	Pacific Lighting	53½	52⅝
13⅜	6⅞	0.25	Packard Motors	12⅞	12⅝
44⅞	28¼	1.70	Pennsylvania Railroad	44⅝	44
49⅝	38⅛	1.00	Phillips Petroleum	45⅜	46¼
49½	39	2.40	Public Serv. of N. J.	46⅜	46⅜
14¼	9⅜	—	Radio Corporation of Amer.	10⅞	10⅞
58⅝	50	3.00	Reynolds Tobacco "B"	58	57⅞
52	37⅜	0.75	Schenley	50¼	51¼
94¼	59⅝	2.00	Sears Roebuck	94½	94
17	12½	0.60	Socony-Vacuum	16⅜	16⅜
32½	25	1.50	Southern California Edison	31⅜	31⅞
47¼	23½	—	Southern Pacific	46¼	45⅝
18	14⅜	0.80	Standard Brands	17⅜	17½
9⅞	5½	—	Standard Gas & Electric	7⅜	7⅝
70	51¾	1.00	Standard Oil Co. of N. J.	65¼	67
76¾	65	3.80	Sterling Products	76⅝	77¼
38⅞	33	2.00	Texas Gulf Sulphur	36½	36¼
15	11	0.30	Transamerica	14⅞	14⅞
101	71⅝	3.00	Union Caride & Carbon	100	100¼
149⅜	108¼	6.00	Union Pacific	145¼	142
32⅝	20⅝	—	United Aircraft (New)	25	24⅝
21	13	—	United Airline Trans.	15¼	15¼
9¼	5⅜	—	United Corporation	7½	7½
19½	14⅝	1.00	United Gas Improvement	15⅝	15⅜
59	31½	—	U.S. Indus. Alcohol	39¼	38⅝
38⅝	16⅝	—	U. S Rubber	37⅛	36⅝
79¼	46⅝	—	U. S. Steel	79⅛	78⅝
27½	16¼	—	Vanadium	24	23⅝
14⅝	9¼	—	Warner Bros. Pictures	13⅜	13⅞
153	94½	3.00	Westinghouse Electric	152¾	151½

Call Money: 1 %

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CHANGSHA	FUCHOW	LANCHOW	PUCHENG	TSINGTAO
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